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BUREAU OF ECONOMIC AND SOCIAL INTELLIGENCE

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## Part I: Co-operation and Association

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### CANADA.

#### AGRICULTURAL CO-OPERATION IN SASKATCHEWAN IN 1914.

##### SOURCES (OFFICIAL):

FIRST ANNUAL REPORT OF THE CO-OPERATIVE ORGANISATION BRANCH, 1914. Regina: Government Printer. 1915.

THE AGRICULTURAL CO-OPERATIVE ASSOCIATIONS ACT AND STANDARD BYLAWS. Regina: Government Printer. 1914.

AN EXPLANATION OF THE PROVISIONS OF THE AGRICULTURAL CO-OPERATIVE ASSOCIATIONS ACT OF SASKATCHEWAN. (*Leaflet*). Regina: Government Printer. 1914.

CO-OPERATIVE LIVE STOCK MARKETING. Regina: Government Printer. 1914.

##### § 1. THE AGRICULTURAL CO-OPERATIVE ASSOCIATIONS ACT OF 1913.

For a number of years before 1913, local grain growers' associations in Saskatchewan had been doing a fairly large business in the purchase and distribution of general farm supplies such as binder-twine, building and fencing material, flour and feed-stuffs. The business in most cases was extremely successful, but as the associations concerned had no real legal status it was being conducted upon a somewhat insecure basis, and many of the well-to-do and more cautious farmers in the province hesitated to take part in it. There was gradually formed a consensus of opinion in favour of legislation which would place purchasing associations in a definite legal position by giving them the right of organising as limited liability societies. The Provincial Legislature was in full sympathy with the movement in favour of co-operation, and in the session of 1913 passed the Agricultural Co-operative Associations Act which gave full effect to the wishes of the Saskatchewan farmers.

The Act provides for the constitution and working of associations "for

the purpose of producing, purchasing or selling live stock, farm produce or supplies on the co-operative plan." Any five or more persons may draw up articles of agreement and form an association, and when the articles have been approved by the Registrar of Agricultural Co-operative Associations (whose appointment is provided for in Section 3 of the Act) and a fee of \$ 4.50 paid to him, the association may begin to do business. The purpose for which an association is formed must be clearly stated in the articles, and the association may undertake only such business as is connected with the purposes so stated. The chief provisions of the Act with regard to the capital and shares of associations are textually as follows:

"The capital of every association under this Act shall be such an amount and divided into shares of such denomination as may be set forth in the memorandum of association. Such capital may be increased or decreased from time to time by bylaw of the association. (Sec. 7)

"At least seventy-five per cent. of the shareholders of every association shall be agriculturists. (Sec. 8)

"The shares may be payable by instalments at such times and in such manner as may be determined by bylaw. (Sec. 9)

"No shareholder shall receive interest on any but the paid-up portion of his share. (Sec. 10)

"Shares may be assigned or transferred or may be repurchased by the association: Provided that no such assignment, transfer or repurchase shall be valid unless and until approved and authorised by the directors;

Provided, further, that no such assignment, transfer or repurchase shall be approved or authorised by the directors if it would reduce the total number of shareholders below five or the number of agriculturists below seventy-five per cent. (Sec. 11)

"Every shareholder shall be individually liable to the creditors of the association for debts and liabilities of the association to an amount equal to the amount unpaid on the shares held by him and until the whole amount of his shares has been paid up, but no shareholder shall be liable to an action in respect of such unpaid balance until an execution at the suit of the creditor against the association has been returned unsatisfied in whole or part (Sec. 12)

"Every association shall have a lien on the shares of the individual shareholders for debts due from them to it. (Sec. 13)

"At association meetings a shareholder shall have one vote only, regardless of the number of shares held by him, and no shareholder may vote by proxy." (Sec. 14)

The distribution of profits is governed by Section 18 of the Act which reads thus:

"The directors shall apportion the profits arising from the business of the association as follows:

(a) By setting aside not less than ten per cent. of the net profits for a reserve fund until an amount has accumulated in such fund equal to at least thirty per cent. of the paid-up capital stock;

(b) By paying interest on the paid-up capital stock at a rate not exceeding six per cent. per annum;

(c) The remainder of the profits shall be divided among the patrons of the association, whether shareholders or not, in proportion to the volume of business which they have done with the association:

Provided, however, that when the supplemental bylaws of the association so specify, the dividend due to any patron who is not a shareholder may be retained by the association and credited to the account of such patron on account of capital stock until an amount has accumulated equal to the par value of one share; when such sum has accumulated a stock certificate for one share shall be issued to the patron and he shall thereafter share in the dividends as do other shareholders."

Under Section 6 of the Act, the Registrar appointed was required to draw up a set of "standard bylaws" to apply without distinction to every registered association, and under the same section each association was empowered to pass supplementary bylaws which, if approved by the Registrar, would be binding upon the members.

In accordance with the provisions the Registrar drew up a set of bylaws which received the approval of the Lieutenant Governor on January 8, 1914, and which in consequence now form an integral part of the Act. The standard bylaws regulate the usual matters, — *e. g.* time place and manner of calling ordinary and extraordinary meetings; election of officers; powers of directors and procedure of directors' meetings; duties of the president, the secretary-treasurer and the auditor.

Two conditions of considerable importance are imposed by the Act upon associations for sale and for purchase and sale. The business of such associations must be conducted for cash and, so far as it consists in the purchase of supplies, is limited to commodities which may be shipped in carload lots and distributed from a warehouse. Associations are not authorised to conduct retail stores. Upon this latter point, however, — the business of dealing in supplies, — the provisions of the Act do not seem to be quite clear. An association may purchase and sell "farm products or supplies," and "supplies" are defined as "building and fencing material, fuel, flour, feed and such other commodities as may be shipped in car lots and distributed from a warehouse." (*Sec. 2*) This would seem at first sight to have the effect of compelling the association to purchase *each commodity* only in carloads, but an official pamphlet in explanation of the Act states clearly that a carload may be made up of several different kinds of goods. As a matter of fact it is open to doubt whether the clause quoted above, when strictly interpreted, really places any limitation upon the power of an association to deal in farm supplies. It is true that the definition of "supplies" states clearly that "the word shall not be interpreted as applying to a retail business," but unfortunately the term "retail business" is by no means clear, and it is nowhere defined in the Act.

## § 2. CO-OPERATIVE ASSOCIATIONS UNDER THE ACT.

The Act was passed in December, 1913, and its administration was placed in the care of the Co-operative Organisation Branch of the Department of Agriculture at Regina. The first association to register was the Juniata Co-operative Association, Limited, registered on February 2, 1914, with an authorised capital of \$10,000 divided into 400 shares of \$25 each. By the end of the year the number of associations registered was 113, of which, however, only 102 had sent in returns to the Registrar by December 31.

The number of shareholders in the associations making returns was 2,850; total paid-up capital, \$13,494; total assets, on December 31st, \$37,337; and total liabilities (including paid-up capital) \$29,717. The average amount of authorised capital per society was \$6,843 and the average nominal value of the shares issued was \$23.

The co-operative purchase of farm supplies is by far the most important business undertaken by the associations. Seventy out of the 102 registered associations which made returns, engaged in this branch of co-operation, and purchased farm supplies (building and fencing material, binder-twine, lubricating oils and gasoline, fruit, flour, feed, wood and coal) to the value of \$239,320. Three associations engaged only in the sale of live stock to their members, while six others sold live stock in addition to carrying on some other business. The total value of the live stock sold by the nine associations was \$42,034, and general satisfaction was expressed with the results. The Registrar of Co-operative Associations looks forward to a very great development of this branch of co-operation in 1915.

## § 3. OTHER CO-OPERATIVE ENTERPRISES IN SASKATCHEWAN.

In addition to the associations registered under the Act of 1913 there are various other co-operative enterprises in the province which call for at least brief notice. We shall deal here with, (a) Co-operative Creameries; (b) the Saskatchewan Elevator Company; (c) the Wholesale Trading Department of the Saskatchewan Grain Growers' Association. Another co-operative enterprise, represented by the work of the Saskatchewan Hail Insurance Commission, was dealt with in Part II of the *Bulletin* for August, and need only be mentioned here.

(a) *Co-operative Creameries.*

The first co-operative creameries in the province date back to 1896 — some nine years, that is to say, before Saskatchewan was raised to the dignity of a province of the Dominion of Canada. Three creameries were established in 1896 through the efforts of Dr. J. W. Robertson who was

that time Dominion Dairy Commissioner. In 1905, when Saskatchewan became a province, there were six co-operative creameries in existence, and when the Provincial Dairy Branch of the Department of Agriculture was organised in 1906, all six placed themselves voluntarily under the management of the Provincial Dairy Commissioner. Apparently the creameries from that time onward became in effect Government enterprises. "Under this arrangement"—we quote from the *First Annual Report of the Co-operative Organisation Branch*—"the Dairy Branch engages the managers, purchases all supplies, keeps the accounts, markets the produce and pays the patrons. From the first this plan has been found very satisfactory. The supplies such as boxes, salt, etc. being purchased in large quantities are secured at considerably reduced prices. Better returns are received for the butter, first, because through the employment of competent managers better quality is secured, and second, because all competition for a market between the creameries has been eliminated. As the industry develops, new co-operative creameries are established only where there is sufficient dairy stock to ensure economic operation and the Government undertakes to pay all express charges on cream shipped to Government operated creameries, so that persons living at a distance are at no disadvantage thereby."

In the summer of 1914 there were thirteen creameries in Saskatchewan working on the plan just described. The following table shows the development of this branch of co-operation since 1907.

*Co-operative Creameries in Saskatchewan, 1907-1914.*

Six Summer Months				Six Winter Months			
Year	No. of Creameries	No. of Patrons	Pounds of butter made	Year	No. of Creameries	No. of Patrons	Pounds of butter made
1907	4	213	66,244	1907-8	4	113	21,588
1908	5	553	220,282	1908-9	5	182	31,286
1909	6	876	342,404	1909-10	6	358	45,599
1910	7	1,166	462,221	1910-11	4	456	64,635
1911	9	1,596	703,583	1911-12	9	539	87,252
1912	10	1,755	649,958	1912-13	8	956	113,489
1913	11	2,681	850,525	1913-14	8	1,677	237,500
1914	13	3,625	1,161,230	—	—	—	—



(b) *Saskatchewan Co-operative Elevator Company.*

The Co-operative Elevator Company (1) was established in 1911 upon the recommendation of a Royal Commission which had been appointed in 1910 to enquire into matters affecting the grain trade. The Company was formed to enable the farmers to free themselves from what they asserted to be a monopoly exercised by grain dealers and combinations of grain dealers in Western Canada. It has power "to construct, acquire, maintain and operate grain elevators in Saskatchewan, to buy and sell grain, and generally to do all things incidental to the production, storing and marketing of grain." The amount of the share capital is not fixed: the shares have a nominal value of \$ 50 and no one may hold more than twenty shares. The general management is in the hands of a Board of nine directors, and each elevator acquired or built by the Company has a local Board of Management consisting of five shareholders. Upon certain conditions the Government advances a large part of the capital required for each local elevator, loans from Government being repayable in twenty equal annual instalments with interest at 5 per cent. Any number of shareholders in a particular locality may request the Company to buy one of the elevators at the local shipping point or build a new one, but before taking any action the Board of Directors must be satisfied that the amount of shares held by the supporters of the proposed local elevator is at least equal to the value of the proposed elevator; that fifteen per cent. of the amount of such shares has been paid up; and that the aggregate annual crop acreage of the said shareholders represents a proportion of not less than 2,000 acres for each 10,000 bushels of elevator capacity asked for. The growth of the Company has been rapid as may be judged from the following table.

*Growth of the Saskatchewan Co-operative Elevator Company.*

Year	No. of Shareholders	No. of Elevators	Grain handled through elevators	Grain handled on commission
			<i>Bushels</i>	<i>Bushels</i>
1911-1912, . . . . .	2,597	46	3,261,000	—
1912-1913. . . . .	8,962	137	12,899,030	12,761,686
1913-1914. . . . .	13,156	192	19,465,290	19,290,531
1914-1915* . . . . .	14,922	215	12,344,000	11,000,000

\* To March 1, 1915.

(1) See an article "The Saskatchewan Co-operative Elevator Company" in the *Bulletin* for June, 1914, pp. 9-12.

The last annual report of the Company, for the year ending July 31, 1914, shows that the authorised capital at the end of the year was \$ 2,000,000, subscribed capital \$ 1,911,800, the paid up capital \$ 382,461, and the profit on the year's working \$ 285,181.

(c) *The Wholesale Trading Department of the Saskatchewan Grain Growers' Association.*

The Saskatchewan Grain Growers' Association is the organisation which has been chiefly instrumental in securing legislation in favour of co-operative methods in agriculture in the province. The Association led the agitation which resulted in the formation of the Co-operative Elevator Company, and it organised the Company and at the start directed its activities. Later the Association, which is itself incorporated under a special Act of the Provincial Legislature, secured the enactment of the Agricultural Co-operative Societies Act, with which we dealt above. In the same session of the Legislature — that of 1913 — an amendment to the Act incorporating the Grain Growers' Association was passed, which gave the Association power to act as a purchase and sale agency of registered co-operative associations, and in 1914 a second amending act authorised it to act in the same capacity for the local grain growers' associations in the province. The Association has already developed an extensive wholesale trading business and in 1914, the first year of its working, bought and sold a very large number of commodities, — binder-twine, 635,750 lbs., flour 4,549 sacks, coal 100 tons, apples 13,910 barrels, potatoes 35,000 bushels, oats 77,179 bushels, and (in smaller quantities) fence wire and posts, lumber, metal ingots, wood, corn, fresh fruit, vegetables and groceries.

4. A GOVERNMENT EXPERIMENT IN THE CO-OPERATIVE SALE OF WOOL.

For some time past, sheep farmers in the Canadian West have been dissatisfied with the prices which they have been receiving for wool, and in order to ascertain where the fault lay the Saskatchewan Department of Agriculture conducted a special enquiry towards the end of 1913. It was found that for the last season's clip the owners of large flocks (from 200 to 1,000 head) had received 13 cents a pound for wool, while the smaller sheep owners had received only from 10 to 12 cents a pound. It was found that there were two principal reasons for this, — small consignments of wool were usually badly prepared for the market, and they usually paid higher freight rates and yielded higher profits to small local dealers.

In the season of 1914 the Co-operative Organisation Branch of the Department of Agriculture carried out an interesting experiment in collective

or co-operative selling with the object of showing the owners of small flocks how to obtain better prices for their consignments of wool. The Branch undertook to act as selling agent for such producers as agreed to prepare and consign their wool according to instructions furnished by the Department of Agriculture. The Branch also supplied suitable twine and paper-lined sacks for packing the fleeces, at cost price, to the producers who took advantage of the offer with respect to selling.

One hundred and eighty farmers joined the scheme, and between June 20 and July 1, 1914, consigned their wool to the Co-operative Organisation Branch at Regina. The whole consignment amounting to 69,404 pounds was sold through a firm in Boston, Mass., at the price of 17  $\frac{3}{4}$  cents a pound f.o.b. Regina. The net price received by the producers varied, according to the size of the consignments and the cost of carriage to Regina, from 15 to 17 cents a pound. The experiment was considered highly successful. Not only were the immediate returns very satisfactory, but there was a lasting result in a general improvement in the quality of the wool shipped out of all parts of the province.

We have thought it wise to distinguish between this Government scheme of co-operative sale and the other co-operative enterprises in Saskatchewan. It is probably intended that official management of the scheme shall be of the nature of a temporary measure only, and that the producers who are to benefit by co-operative selling shall, after a comparatively short period, establish, maintain and control their own central agency. If it be intended that a Government Department shall continue indefinitely to act as a co-operative selling agency, the scheme is open to criticism upon several grounds. No useful purpose, however, would be served by examining too critically a scheme which is at present frankly only an experiment.

## RUSSIA.

### PROGRESS OF CO-OPERATION IN FINLAND BETWEEN 1909 AND 1915 AND THE PRESENT SITUATION.

#### § 1. FINLAND CONSIDERED IN REGARD TO THE GENERAL PROGRESS OF CO-OPERATION.

If we rank the various countries of Europe according to their comparative wealth in co-operative organizations, we shall find that Finland comes second on the list as regards the number of members of co-operative societies and fourth as regards that of the societies themselves, in both cases, in proportion to the inhabitants of the country. In fact, the number of individuals belonging to the various co-operative societies is in Finland 10 % of the total population, and in this respect Finland only yields to Denmark, where the proportion is 25 %. In regard to the number of co-operative associations, Finland, which has one per 1,400 inhabitants, is only surpassed by Switzerland (1 society per 500 inhabitants), Denmark (1 per 600 inhabitants) and lastly by England (1 per 1,100 inhabitants) (1).

This extraordinary development of co-operation in Finland is the more remarkable as the "Country of the thousand lakes" is incontestably one of those to which the principles and above all the practice of co-operative association last penetrated. The oldest association founded on these principles (a co-operative distributive society) dates indeed from 1889, but its foundation was an isolated effort and in the next ten years hardly a dozen societies of the class were founded in the whole country. The progress of Finnish co-operation properly speaking only began with the first years of the present century, or, to be more exact, with the constitution in 1899 of the "*Pellervo Society for the Advance of Rural Co-operation in Finland*."

The readers of this Bulletin are already acquainted with the early history of this remarkable society, the ends it pursues, as well as the results of its work in the field of co-operation up to about 1909 (2). We shall now

(1) See GERHARD (Hannes): *Huvuddragen af Andelsverksamheten i Finland* (Chief Characteristics of the Co-operative Movement in Finland) Helsingfors, Pellervo Society, 1915. p. 49. It is from this work only quite recently published (June 1915), we derive most of the information we reproduce in this article.

(2) See in the number of this Bulletin for September 1911, p. 69 the article entitled "Agricultural Co-operation in Finland", (§ 1. The Birth of Agricultural Co-operation in Finland and the Pellervo Society).

give a general idea of the work accomplished since then, and the results attained, or in other words, the state of Finnish co-operation at the beginning of the present year.

## § 2. THE "PELLERVO".

The five years that have passed since 1909 have scarcely made any changes in the organization and composition of the "Pellervo". The number of members, which was 1,402 in 1909, has slightly decreased; it is now 1,267; that of the officers of the central office has on the other hand increased from 21 to 23. In consequence of difficulties it does not come within the scope of this article to discuss, the annual subvention granted by the State to the Society, which had increased gradually between 1899 and 1911, from 20,000 to 87,000 Finnish marks (1), has since the latter date been little by little reduced. In 1912 it was still 81,000 marks. In 1913 it had decreased to 74,500 marks, and in 1914, finally, it was only 74,000 marks. On the other hand, the subsidies voted to the "Pellervo" by the co-operative societies and central institutions have increased. In 1903 they amounted altogether to 3,500 marks; in 1909 they had reached the amount of 7,300 marks; and in 1914 they amounted to 15,400 marks, thus completely making up for the reduction of the annual State subsidy.

During the period we are considering the "Pellervo" passed through a very serious crisis. The excellent results obtained by co-operation in Finland at the first had caused, above all in the rural classes, an infatuation for this kind of association. In spite of the warnings of the "Pellervo" there was too much haste. Co-operative societies were founded without sufficient consideration, without enough attention being paid to the model rules and regulations drafted by the "Pellervo", and sometimes, not even to the provisions of the law on associations (2). These societies were placed under the management of persons who had not sufficient preparation and sometimes neglected the most elementary principles of business management. This naturally led to difficulties, which, complicated by the general economic crisis through which the whole country passed between 1908 and 1910, caused numerous failures among the societies.

The adversaries of the co-operative movement profited by this and endeavoured to persuade the public that the cause of the evil was to be attributed to the principles of co-operation themselves. Many let themselves be convinced and in the co-operative societies there were more and more cases of defection.

(1) The Finnish "Mark" of 100 "penns" (not to be confounded with the German Mark), which in this article we shall simply call "Mark" (official abbreviation *Fmk.* in Swedish and *Smk.* in Finnish) is exactly equivalent to one franc.

(2) With regard to this law, also due to the initiative of the "Pellervo", promulgated on July 10th., 1901, see the above article in our number for September, 1911.

These circumstances had a considerable effect on the work of the "Pellervo." Abandoning for the moment all propaganda in favour of further extending the number of the societies, it, actively seconded by the central institutions already founded, concentrated all its attention on the investigation of the causes of the evil and all its efforts on the remedies to be applied.

In 1909 a "Co-operative Institute" was founded at Helsingfors to provide the associations with capable trained officers. A special review was started, the "Suomen Osuustoimintalehti" (Review of Finnish Co-operation), supported and edited by all the central institutions of the country together, strictly for purposes of instruction and education, and this review was distributed free of charge to all the co-operative societies. Finally very severe measures were taken with a view to the general reorganization of the existing associations, and a permanent careful and effectual supervision of their work (1).

This energetic action soon gave the results desired. As we shall see in the following pages, the crisis may be considered as having been definitely passed in 1911. So the "Pellervo" was able, without relaxing its beneficent action of supervision and inspection, gradually to resume its work in favour of the extension of co-operation in Finland, purged of its defects and regenerated.

A small detail will show more clearly than long discussions the rôle played by this energetic society in educating the people in regard to co-operation. In the fifteen years of its existence the "Pellervo" has spent solely on printing co-operative manuals, tracts, programmes, model rules, instructions and other publications of the kind, a total amount of 1,200,000 marks, and the papers thus printed it has distributed free of charge, for a value of 150,000 marks.

### § 3. GENERAL STATE OF CO-OPERATION IN FINLAND ON JANUARY 1ST., 1915.

Whether owing to the enormous preponderance of the rural element forming about 86 % of the total population, or to circumstances it would take too long to consider here, it is more difficult in Finland than anywhere else to distinguish clearly between specifically agricultural and non agricultural co-operative societies.

If we consult for example the statistics relating to the class of co-operative associations, which in all countries of the world is considered as the least agricultural, that is the distributive societies, we find that of 419 of them existing in Finland in 1913, there were only 35 or 8.35 % in the towns,

(1) For further details see the article entitled: The Central Credit Institute of the Rural Co-operative Banks and Co-operative Credit in Finland (§ 7. Management, Supervision and Inspection of the Local Co-operative Banks), in the number of our Bulletin for February, 1914.

whilst the remaining 374 (91.65 %) worked in the country and of all the members of the Finnish co-operative distributive societies, only 12.9 % belonged to the industrial class, whilst the owners of farms represented 47.5 % and the agricultural labourers 26.9 % (1).

Under these circumstances, we are compelled to give up any too subtle distinction between agricultural and non-agricultural co-operative societies and to follow the classification adopted in Finland itself, based only on the general work of the associations.

Let us also add that the statistics at our disposal are derived principally from the entries in the "Commercial Register", in which, in conformity with the law of September 1st., 1901 on co-operative work, every newly founded association of the kind must register. Now in reality the entries in this register are far from being either accurate or complete. On the one hand, in fact, many small societies (they are estimated at *several hundreds*) neglect to register, and it is often impossible to obtain even the most elementary information in regard to their work. On the other hand, associations duly registered cease to exist, or fundamentally change their original character without notifying the registrar. And so naturally new errors occur in the official statistics, which the detailed statistical reports prepared and published by the "Pellervo" do not always succeed in correcting.

So much said, we shall summarise here in a few general tables, the principal figures relating to the progress of Finnish co-operation from the start up to the present day, as well as its situation at the beginning of the present year.

(1) See GEBHARD (H): op. cit. p. 60.

BLE I. — *General Progress of Co-operation in Finland from 1901 to 1915*  
(Legally Registered Co-operative Associations).

Years	Total Number of Registered Co-operative Associations	Classification of the Associations						Central Institutions
		Co-operative Distributive Societies	Co-operative Dairies	Co-operative Banks	Co-operative Agricultural Machine Thresher Societies	Co-operative Societies for Working Peat Moss Bogs	Other Classes of Co-operative Societies	
01 . .	3	3	—	—	—	—	—	—
02 . .	50	16	28	—	—	1	5	—
03 . .	189	66	75	24	3	2	19	—
04 . .	393	119	145	87	3	3	35	1
05 . .	592	166	225	140	4	7	47	3
06 . .	866	263	292	176	15	10	106	4
07 . .	1,260	389	330	240	69	31	207	4
08 . .	1,601	497	342	308	127	49	274	4
09 . .	1,815	506	354	385	169	70	325	4
10 . .	1,930	512	362	418	191	85	359	4
11 . .	2,002	506	370	443	201	98	380	4
12 . .	2,066	503	389	453	207	110	399	5
13 . .	2,167	512	418	476	218	118	420	5
14 . .	2,300	517	436	512	235	127	468	5

TABLE II. — *Total Number of Finnish Co-operative Societies.*

Years	Total Number	Kinds of Co-operative Societies.			
		Co-operative Distributive Societies	Co-operative Dairies	Co-operative Credit Societies	Other Classes of Co-operative Societies
1903 . . . . .	21,000	14,000	6,000	500	500
1904 . . . . .	37,000	22,000	12,500	2,000	1,000
1905 . . . . .	57,000	29,000	21,000	4,000	3,000
1906 . . . . .	89,000	50,000	29,000	5,000	5,000
1907 . . . . .	136,000	76,000	31,000	9,000	20,000
1908 . . . . .	170,000	95,000	33,000	12,000	30,000
1909 . . . . .	177,000	92,000	34,000	16,000	35,000
1910 . . . . .	179,000	87,000	35,000	17,000	40,000
1911 . . . . .	180,000	85,000	35,000	18,000	42,000
1912 . . . . .	188,000	87,005	37,000	19,000	45,000
1913 . . . . .	196,000	91,000	59,000	20,000	46,000



TABLE III. — *Total Business Done by Finnish Co-operative Societies from 1903 to 1914 (in Finnish Marks).*

Years	Total Amount	Amount for Each Class of Co-operative Societies				
		Co-operative Distributive Societies	Co-operative Dairies	Co-operative Credit Societies	Other Classes of Co-operative Societies	Co-operative Societies for Purposes of Social Insurance
					c.	c.
1903 . . . . .	11,000,000	5,000,000	3,500,000	200,000	300,000	2,000,000
1904 . . . . .	19,300,000	8,000,000	7,500,000	800,000	600,000	2,400,000
1905 . . . . .	30,500,000	12,000,000	13,500,000	1,500,000	1,000,000	2,500,000
1906 . . . . .	50,200,000	22,000,000	19,500,000	1,900,000	2,000,000	4,800,000
1907 . . . . .	72,800,000	37,000,000	21,000,000	3,700,000	5,000,000	6,100,000
1908 . . . . .	99,300,000	52,000,000	27,000,000	5,300,000	8,000,000	7,000,000
1909 . . . . .	99,200,000	50,000,000	28,000,000	6,200,000	8,000,000	7,000,000
1910 . . . . .	98,700,000	47,000,000	28,400,000	6,800,000	9,000,000	7,500,000
1911 . . . . .	111,300,000	52,000,000	33,000,000	7,300,000	10,000,000	9,000,000
1912 . . . . .	122,700,000	57,000,000	35,000,000	8,000,000	12,000,000	10,700,000
1913 . . . . .	133,900,000	63,000,000	37,000,000	8,900,000	13,000,000	12,000,000

TABLE IV. — *Funds of Finnish Co-operative Distributive Societies, Dairies and Credit Societies from 1905 to 1914 (in Finnish Marks).*

Years	Funds				Funds					
	Total	Percentage of Debt	Average		Share Capital			Reserve Fund and other Funds		
			per Society	per Member	Total	Average		Total	per Society	per Member
						per Society	per Member			
1905 .	4,319,553	17.6	3,282	33	851,753	2,119	21	467,800	1,163	1
1908 .	5,019,407	17.3	5,678	46	2,694,053	3,048	25	2,325,354	2,630	2
1911 .	9,269,615	28.6	8,688	74	4,192,451	3,929	33	5,077,164	4,759	4
1912 .	10,611,441	30.3	10,077	81	4,619,979	4,387	35	5,991,462	5,600	4
1913 .	11,792,886	31.6	11,032	88	4,825,627	4,514	36	6,967,259	6,518	5

Without discussing these tables in detail, as they are sufficiently clear in themselves, we shall now pass in review the different groups of co-operati

societies at present existing in Finland, following the order and classification adopted by the "Pellervo," that is to say grouping all the associations this character under one or other of the following four heads.

- (I) Co-operative Purchase and Distributive Societies (1),
- (II) Co-operative Production and Sale Societies (2),
- (III) Co-operative Credit Societies,
- (IV) Miscellaneous Co-operative Societies.

#### § 4. CO-OPERATIVE SOCIETIES FOR PURCHASE AND DISTRIBUTION.

The Finnish statistical returns include in this first group, three classes co-operative associations, namely, co-operative distributive societies, properly so called, co-operative bakeries and restaurants, and, finally, co-operative purchase societies.

##### (a) *Co-operative Distributive Societies.*

We saw above (3) that co-operative distribution in Finland has a more "rural" character than in any other country. One of its greatest merits is that it has succeeded to some degree everywhere in ousting the country dealer, who, under pretext of credit, took dishonourable advantage of the peasant and generally ended in obtaining possession of his property. This is largely owing to these results that co-operative distribution has developed with a rapidity corresponding with the economic advantages it has bestowed on the country districts. At present (4) there are in Finland 1,000 officially registered co-operative distributive societies. They have together more than 100,000 members and the total amount of the sales made through their warehouses was 63,000,000 marks. The general average of the sales is 148,000 marks per co-operative society, but 75 of them sell more than 200,000 mks. a year, 10 of them more than 500,000 mks., 5 others more than 1,000,000 mks., and finally one (the Uleåborg Co-operative Distributive Society) in 1913 sold goods for a gross total of more than 1,000,000 mks.

The value of the shares varies from 10 to 20 marks, part being payable in monthly instalments. The supplementary personal liability of members varies generally from 50 to 100 Finnish marks per member, independently of the number of his shares.

(1) The associations of this character are designated in Finland under the name of "Commercial Co-operative Societies" *Osuuskouppa* in Finnish, *handelslag* in Swedish.

(2) In Finland the associations of this group are styled, "Co-operative Societies for the Production and Sale of their Members' produce".

(3) See the beginning of § 3.

(4) That is to say on January, 1st, 1914, the date of the last complete statistical returns received.

At first, the total profits are utilised to increase the reserve fund. It is only after this fund has become sufficiently large to guarantee the solvency of the society, that the interest, which may never exceed 6 %, may be added to the share capital. If, after deducting the amounts placed in the share capital and reserve fund, there still remain funds available out of the profits realised, they may be distributed among members in proportion to the purchases made by each in the course of the year.

In those societies in which up to the present such a distribution has been possible, the dividend has varied from 2 % to 4 % of the amount of annual purchases.

Let us observe here that the Finnish co-operative distributive societies sell their produce indiscriminately to members and non members. The latter may even share in the profits, provided, however, that the dividend representing their share in the profits serves entirely as an instalment towards the cost of their admission as members (entrance fee and compulsory share). If this condition is not accepted, the individual loses all right to his share in the profits and it is paid into the reserve fund.

In the following table we give some figures showing the general progress of the Finnish co-operative distributive societies from 1901 to 1911.

TABLE V. — Progress of Finnish Co-operative Societies from 1901 to 1914.

Years	Number of Legally Registered Co-operative Societies	Number Actually Working			Funds in Thousands of Marks					
		Societies	Members (Thousands)	Sales (Thousands of Marks)	Number of Societies Furnishing Information	Gross Profits	Net Profits	Own Revenue	Goods in Warehouse	Real Estate
1901 . . . . .	3	7	1	300	—	—	—	—	—	—
1902 . . . . .	16	16	3	1,500	—	—	—	—	—	—
1903 . . . . .	66	75	14	5,000	50	422	132	198	932	95
1904 . . . . .	119	140	22	8,000	98	653	196	311	1,644	135
1905 . . . . .	166	165	29	12,000	142	957	354	540	2,868	261
1906 . . . . .	263	271	50	22,000	173	1,815	506	761	5,102	587
1907 . . . . .	389	378	76	37,000	211	2,305	935	1,188	8,663	1,274
1908 . . . . .	497	463	95	52,000	305	2,831	1,102	1,959	11,885	1,963
1909 . . . . .	506	161	92	50,000	362	3,536	1,048	2,707	12,330	2,600
1910 . . . . .	512	443	87	47,000	382	3,868	1,266	3,381	11,654	3,019
1911 . . . . .	506	437	85	52,000	376	4,360	1,613	3,910	13,008	3,173
1912 . . . . .	503	430	87	57,050	370	4,712	1,709	4,696	15,120	3,346
1913 . . . . .	512	419	91	63,000	360	5,162	1,876	5,397	15,703	4,097

In order the better to show the work of the Finnish co-operative distributive societies, let us add that in 1910 they founded their own Mutual Fire Insurance Society( "Tulenvata" in Finnish, Fire Risk Society), of which no less than 273 co-operative distributive societies were members in 1914. The funds of the society amounted at the end of that year to 128,000 Finnish marks, and the supplementary liability of the members to 400,000 marks, and the total amount assured was in round numbers 16,000,000 mks.

The Finnish co-operative distributive associations have associated in "Provincial Federations of Co-operative Distributive Societies" (1). A general meeting of the delegates of all these Federations meets annually to discuss questions of common interest for all the co-operative distributive societies of the whole country. Finally, these societies have founded a Central Institution, quite specially intended for the collective purchase of both the central and local associations. We shall consider the organisation and working of these central organs later on.

(b) *Co-operative Bakeries and Restaurants.*

Apart from a very large number, which, however, can not be accurately given, of bakeries established for their own use by co-operative distributive societies, there are at present only two co-operative bakeries properly so called, that is to say independent of any other association. One of them, the co-operative society "Elanto", founded at Helsingfors in 1908,

TABLE VI. — *Progress made by the Co-op*

Years	Number of Members	Value of Real and Personal Estate belonging to the Society	Staff	Number of Shops	Sub in Mar
1908 . . . . .	1,776	558,400	135	15	86
1909 . . . . .	2,046	604,600	189	20	1,12
1910 . . . . .	2,427	695,800	219	24	1,368,000
1911 . . . . .	2,800	1,111,700	317	33	1,763,000
1912 . . . . .	3,080	1,616,600	477	60	3,241,000
1913 . . . . .	3,579	1,761,600	525	65	4,102,000
1914 . . . . .	4,700	1,731,400	526	72	4,354,000

(1) See below.

deserves special mention for the really remarkable progress it has made. Exclusively a bakery at the start, this society has gradually extended its work, opening in turn creameries, cafés and people's kitchens. We give below a few figures to show the present situation of this interesting society.

The "Elanto" pays quite special attention to the comfort of its staff. In its bakeries there is no night or supplementary work allowed. The working hours are limited to forty eight a week, and this necessitates at the bakeries, and even more at the shops, a double number of employees relieving one another in turn. Every member of the staff has a right to two weeks' leave a year, on full pay. Doctors' attendance and medicines are provided free, not only for the employees but also for their families. This remarkable organisation has also a sick fund and a pension fund.

Let us further say that the society out of its profits also gives large assistance to charitable institutions and works of public utility.

Co-operative restaurants are very numerous in Finland. Many of them have a strictly corporate character, for example, the co-operative restaurant "Osmola", founded by University students for their exclusive use, and similar institutions founded by the pupils of the superior and secondary schools, especially of the agricultural schools, which, sometimes combined with co-operative lodging societies, greatly facilitate the life of the students whose families live at a distance.

Let us also mention here the people's kitchens and the co-operative kitchens for common use of all the tenants of the large modern houses, recent introduction and generally not registered.

*"Elanto" between 1906 and 1913.*

Dividend on Purchases	Interest Paid to Members		Funds		
	Amount	Rate	Share Capital	Reserve Fund	Other Funds
43,000	1,200	5	21,000	26,000	9,900
27,000	4,500	5	23,000	31,000	93,000
55,000	9,000	5	24,900	36,000	145,000
65,000	14,000	5	27,400	68,000	151,000
37,000	17,400	4	29,100	77,000	153,400
91,000	19,700	3	31,800	89,000	155,800
127,600	26,500	3	39,000	105,800	161,600

(c) *Co-operative Purchase Societies.*

Apart from the co-operative distributive societies, which, like many of the co-operative credit, dairy and other societies, undertake to provide their members, according to circumstances, with part of the articles and supplies they need, many co-operative societies have been founded in Finland, exclusively for purchase, so as to provide their members with certain special classes of objects, only on order.

Their working is very simple. An experienced agent, engaged by the association, visits each member, at a convenient time, studies his requirements, advises him and receives his orders. On receipt of the goods, which are ordered wholesale, the agent examines them, stores them if necessary and forwards them to the members in the least expensive way and at the most suitable time.

These societies have been chiefly founded for the collective purchase of professional equipment and the articles needed for certain trades, and it is unfortunate that many neglect to register. Thus we find in the town co-operative druggists' purchase societies, societies for the purchase of requirements for hospitals and sanitoriums, others formed among the owners etc.

In the country, of course, we find principally those formed among farmers for collective purchase of agricultural machinery, manure, seeds and cattle foods. The increase in the purchases made by co-operative societies of this latter class is seen in the following table, which, however, only gives the figures supplied by the union of the registered co-operative agricultural purchase societies.

TABLE VII. — *Increase in the Co-operative Purchase of Agricultural Machinery and Farm Requisites by the Finnish Farmers between 1900 and 1914 (in Finnish Marks)*

Year	Marks	Year	Marks
1900 . . . . .	700,000	1907 . . . . .	6,100,000
1901 . . . . .	900,000	1908 . . . . .	7,000,000
1902 . . . . .	1,500,000	1909 . . . . .	7,500,000
1903 . . . . .	2,000,000	1910 . . . . .	7,500,000
1904 . . . . .	2,400,000	1911 . . . . .	9,000,000
1905 . . . . .	2,500,000	1912 . . . . .	10,700,000
1906 . . . . .	4,800,000	1913 . . . . .	12,000,000

(To be continued).

## SWEDEN.

### THE ORGANISATION OF CREDIT TO SMALL, LAND-OWNERS FOR THE WORKING OF THEIR FARMS.

#### § 1. HISTORY OF THE QUESTION. GENERAL OUTLINE OF THE LAW RECENTLY ENACTED.

In Sweden, as in most scantily populated countries, agriculture long preserved the character of natural, purely domestic economy. The soil supplied the man who tilled it with nearly all the raw material necessary for his subsistence, and the peasants worked their farms with no other object in view. When the labour supplied by the several members of the family did not suffice, it was supplemented by that of "tenants", that is to say of agricultural labourers, paid in kind, to whom a section of the farm was allotted in return for a certain number of days of labour put in on behalf of the owner. The need for liquid capital was very restricted, and, more especially among the class of small peasant proprietors, indebtedness was looked upon as proof of incapacity or weakness.

Under such conditions it was only natural that agricultural credit was slower to develop in Sweden than elsewhere, and that the forms it is assumed are quite different to those in use in countries where intensive farming is the rule, based mainly on the sale of products.

The first needs for agricultural credit proper made themselves felt towards the close of the last century (1) as a result of the extensive clearing of uncultivated land and forests and the reclamation of marsh-lands. The need was met by special appropriations made by Parliament from which loans were granted, but almost exclusively to farming enterprises carried out on a large scale. Other loans were made for unspecified purposes, though generally for the same ends, by the State Bank, by private banks and by private moneylenders.

The agricultural depression prevalent in Sweden from 1820 to 1830 led to the foundation of mortgage credit associations, organised on the model of the German "Landschaft", but independent of the State. Their

(1) See the study entitled "Agricultural Credit in Sweden" contributed by M. H. Juhlin-Lundfelt, Secretary of the Royal Academy of Agriculture of Sweden, to our Bulletin for November, 1913.



work was not confined to any special kind of real estate. Any owner of land situated within the district assigned to such an association could obtain from it a loan, providing that the value of his property was not less than a certain amount (1). After 1861 these mortgage credit associations were strengthened by the establishment of the Mortgage Bank, subsidized by the Government. Later on a "General Farming Fund" was created for the purpose of granting credit up to a total of one million crowns per annum for draining marshes and reclaiming heath-lands. Still later another special fund was formed for promoting the settlement of Nordland, that is to say of the most northerly provinces of the Kingdom, by means of loans especially intended for small land-owners. Finally, very complete measures were taken by means of loans granted on easy terms to promote the formation of small homesteads amongst both agricultural and industrial workers (3).

The several institutions above mentioned have sufficed hitherto and still suffice more or less to meet the demand for long term credit. But the great defect of the Swedish system of agricultural credit is the complete lack of institutions for supplying the short term credit required to finance the working of the farm on a commercial basis in accordance with the modern needs of intensive farming.

In the absence of such institutions, the farmers have been compelled, in case of need, to apply to the banks, and more especially to private capitalists, borrowing from them on notes, generally repayable by instalments.

This system is obviously very defective. In the first place, successive discounts and renewals unduly raise the actual rate of interest paid on loans of this kind. Moreover, the lenders, of course, demand security, and as Swedish law does not recognise for this purpose mortgages which exceed half the estimated value of the property mortgaged, nor cattle or other farming stock which remains in the hands of the borrower, the farmer is compelled to have recourse to personal security supplied by the signatures of one or more of his friends. This necessarily entails reciprocity in assuming similar obligations, and the final result is that small land-owners all too often find themselves involved in a whole net-work of mutual guarantees which may lead to serious loss.

Under such conditions it is not surprising that efforts have been made for a long time past in Sweden to terminate a state of affairs which was growing more and more intolerable. Indeed, the question of the organisation of short term credit for small rural land-owners on a rational basis has been before the country ever since 1903, and four years ago we ex-

(1) The amount thus fixed, although very low, was still such as to exclude from the credit granted by these mortgage associations the class of small land-owners whom the law is now examining has in view.

(2) The Swedish crown of 100 "ores" is worth 1.38 francs.

(3) See the article entitled "Associations for the Formation of Homesteads in Sweden" in the number of this Bulletin for January, 1911.

ained it in an issue of our Bulletin when a bill was introduced by the Royal Direction of Agriculture. This project, however, like many others, led to no practical results (1).

To-day this serious problem has at last been solved. Just recently the Swedish Parliament finally approved a scheme of organisation of short term agricultural credit which will be put into practice as soon as some secondary questions of detail have been regulated by Royal Ordinances.

The organisation provided for will develop little by little from the bottom upwards, according to the needs of the parties interested and to the way in which they show to the scheme. When it has attained its ultimate and complete development it will embrace three different kinds of credit institutions, built up successively, and dependent the one on the others, to wit:

(1) Local Credit Institutes (*Jordbrukskassa*) organised on a strictly co-operative basis which will supply the working capital needed by the small land-owner residing within the restricted sphere of operations assigned to each institute.

(2) A certain number of Central Credit Institutes (*Centralkassa för jordbrukskredit*), which will act as central banks for the local institutes of one or several provinces, and which will supervise their credit transactions.

(3) Lastly, A Central Agricultural Bank which will centralise the work of the two classes of institutes above described throughout the Kingdom. This latter will, however, only be established when the development of the local and provincial agricultural credit institutes makes its foundation desirable and possible. The scheme of organisation which has been approved by Parliament only deals with it theoretically, without going into any details as to the working of an institution whose organisation and mode of procedure will necessarily be determined by the results attained by the local and central credit institutes shortly to be started.

Therefore, for the time being we need only deal with these two first kinds of institutes which the law provides for, i. e. with local agricultural credit institutes for supplying working capital and with the Central Provincial Institutes. Mr. August Östergren, the government expert, in numbers 2 and 23 of the "Landtmännens" gives the following details on the fundamental principles underlying the organisation and administration of these institutes, as approved by the Swedish Parliament.

## § 2. THE LOCAL AGRICULTURAL CREDIT INSTITUTES.

The agricultural credit institutes (*Jordbrukskassorna*) are economic associations established in a given locality for the purpose of supplying the demand for working capital on the part of small rural landowners.

(1) See the article entitled "The question of credit for small land-owners in Sweden", the number of this Bulletin for January, 1911.

An agricultural credit institute to obtain official recognition and registration, without which it cannot benefit by the grants provided for in the law, must comply with all the requirements of the Act of June 22nd, 1911, on the foundation of economic associations with limited personal liability (1). The bye-laws of the institute must provide for the limited personal liability of all the members of the association (2) and must contain provisions in conformity with the following general principles:

(1) The credit institute may not work outside of one homogeneous, clearly defined district, which must be quite distinct from districts in which other similar agricultural credit institutes are working. The district must be small enough for the members of the credit institute to know one another and to be more or less acquainted with their respective economic standing.

(2) Any Swedish citizen domiciled in Sweden, any duly registered economic society, or any commune of the Kingdom may be a member of such a credit institute. The number of members must never be less than 10.

(3) Each member may share in the business done by the Institute in proportion to the number of hectares for which he has been inscribed. No one may inscribe himself for more than 50 hectares (3) nor for a number of hectares exceeding one tenth of the total of those already inscribed by the institute. Members who are not working farmers (such as communes and economic societies) shall state the number of hectares for which they wish to share in the credit institute.

(4) The maximum amount of the loan which each member may obtain from the Institute may not exceed 75 Swedish crowns per hectare of land inscribed in the name of said member.

(5) The amount of entrance fee and the liability of each member are fixed as follows:

(a) The entrance fees (members' shares) must amount to at least 10 Swedish crowns for each ten hectares of land inscribed, any unit less than ten hectares counting as a whole. At least one tenth of the amount thus fixed must be paid on entering one's name as a member of the credit institute; the remainder within one year from that date.

(b) In case of need, any member of a credit institute may be called upon to pay an annual super-tax, the maximum amount of which must be stated in the bye-laws of each credit institute.

(c) The liability assumed by each member for the collective business of the institute may not be less than one and a half times the maximum amount of the loan to which he is entitled.

(1) A full French translation of this important law will be found in the "International Year-Book of Agricultural Legislation," published by the International Institute of Agriculture, Year I (1911), pp. 502 et seqq. See also an article entitled "The Law on Economic Societies of June 22nd., 1911" in the number of this Bulletin for June, 1913.

(2) See §§ 65 to 72 of the above mentioned law.

(3) This provision is characteristic of the law, which aims at supplying credit especially to small land-owners.

(6) Agricultural credit institutes may make loans directly to their members within the limits of their means. Apart from such direct assistance, these institutes are also authorised to facilitate by their endorsement the discounting of notes signed by their members. No loan may however be granted to a member who does not personally possess and cultivate at least half a hectare of land situated within the territory comprised in the sphere of operations of the institute.

(7) The use to which each loan applied for is to be put must be specifically stated, and loans can only be granted for the following purposes:

(a) Purchase of draught or breeding stock, agricultural machines or implements, seed, forage, or fertilisers.

(b) to form a working fund required for the normal carrying on of farming operations during the period (or periods) of the year in which the yield of the farm is smallest.

(c) To obtain the requisite means for starting some industry which is a by-product of the farming business if the holding be suited to such industry.

(d) For drainage, laying on of water, manure tanks, or other purposes which may facilitate the full development of all the natural resources of the land.

(e) For works subsequent to land reclamation and for the erection of small farm buildings (exclusive of those intended for dwelling purposes).

(f) For payment of entrance fees, members' shares, and the subscriptions required to entitle applicants to be inscribed as members of any other economic association established for agricultural purposes, such as the purchase or co-operative use of farm machinery and implements, the purchase of forage, seeds, and fertilisers, the purchase or use in common of breeding stock etc.

The law just enacted by Parliament limits the activities of these institutes to the making of cash loans to members, to endorsing members' notes, and to savings bank and deposit transactions. All other forms of business are expressly forbidden to them. They are also forbidden to grant or endorse notes for other than regularly inscribed members.

The entrance fees paid by members will be used to form a special reserve fund to be known as the "Membership share fund", (*Jordbrukskasans insatskapital*).

Of the total annual profits made by each institute, 15 % at least is to be paid to the ordinary reserve fund until this amounts to 10 % of the total amount of the maximum loans which the members of the institute are entitled to receive. If the institute also acts as a savings and deposit bank, this annual payment may only cease when, besides complying with the conditions above laid down, this reserve fund shall also amount to half the value of the deposits as shown by the last balance-sheet of the institute.

Eventual losses will be met, in the first place, by the supertax to which members are liable for the current year (see art. 5 b above) and in the second place by the ordinary reserve fund.

As a "subsidy towards administration expenses" (*förvaltningsbidrag*)

every local agricultural credit institute, officially recognised and registered, will be authorised to receive from Government funds a contribution of two Swedish crowns per member inscribed and per year during the first four years of its existence, and of one crown per member and per year for the six following years.

The requests for official recognition of local agricultural credit institutes must be addressed to the Prefect (*Konungens befälningsschef*) of the province in which the institute is located.

If in said province no central agricultural credit institute exists, until such time as one shall be established, the supervision and control over the work of the local agricultural credit institutes will be entrusted to a Government functionary especially appointed for that purpose, the Prefect of the province.

### § 3. THE CENTRAL AGRICULTURAL CREDIT INSTITUTES.

As we have seen above, the scheme for the organisation of agricultural working credit approved by the Swedish parliament provides for the establishment of a certain number of Central Agricultural Credit Institutes (*Centralkassor för jordbrukskredit*) to serve as central institutions for the local credit institutes just described.

We shall now give the main features of the organisation and mode of procedure laid down for these central institutions.

(1) In the first place, the Central Institutes like the local ones must be organised, in conformity with the requirements of the law of June 22nd., 1911, as economic associations with the personal liability of the members limited to a certain amount (*med begränsad personlig ansvarighet*).

(2) The only purpose of these Central Institutes must be that of promoting and facilitating the activity of the local agricultural credit institutes established within their sphere of activity. So as to obtain legal recognition and registration the Central Institutes must include in their rules provisions in conformity with the following general principles:

(a) The zone of activity of a Central Institute shall be a specific homogeneous district, apart and distinct from the district served by any other similar institute. This zone may only comprise one, two, or at most three provinces of the Kingdom.

(b) The membership of a Central Credit Institute is restricted to local agricultural credit institutes legally recognised and registered, situated within the territory allotted to the said Central Institute. Official recognition can only be secured by Central Institutes formed by not less than ten local agricultural credit institutes, possessing collectively a "membership share fund" of a total value of at least six thousand crowns.

(c) The membership shares of the Central Agricultural Credit Institutes must be worth at least ten crowns.

A local institute, in order to become member of a Central Institute must on entering for membership subscribe shares for at least for

ruined crowns. Should it wish, it may subscribe for a larger sum on condition that the consequent liability incurred by the local institute in connection with the business of the Central Institute does not exceed, under any pretext, two thirds of the total liability incurred by the members of the local institutes in connection with the business of this latter.

(d) The liability of a local agricultural credit institute towards its Central Institute may not be less than thirty times the total value of the shares subscribed by the local institute on becoming a member of the Central Institute.

(3) The maximum amount of the loans to which a local agricultural credit institute is entitled from its Central Institute may never exceed one half of the sum for which the local institute is liable to the Central Institute, plus one half of the maximum amount which the members of the local agricultural credit institute are entitled to receive from this latter in the shape of loans.

(4) The Central Agricultural Credit Institute will assist the local institutes by granting them direct loans, or by endorsing notes which the local institutes wish to discount, or by acting as intermediaries between them and the banks.

(5) The sums paid into the Central Institute by the local agricultural credit institutes on becoming members will form a special fund to be known as the "Entrance Fee Fund" of the Central Institute.

Of the annual profits of the Central Institute at least 15 % will be paid into the reserve fund until it amounts to 10 % of the total amount of the maximum loans which may be made to members, plus, in the case of those Institutes which also act as savings and deposit banks, half of the sums held on account for depositors as shown by the last balance-sheet.

(6) When these sums have once been set aside, and if the amount of the annual profits permits of it, the Central Institute may pay interest to its affiliated local institutes on the entrance fees received from them.

The law regulates the relations between the local and the central institutes as follows:

Any local agricultural credit institute affiliated to a Central Institute must carefully conform to the instructions and advice given it by the Central Institute in all matters connected with the general management of its business and the keeping and auditing of its accounts.

Auditors appointed by the Central Institute shall at any time have access to the offices of the local institutes for the purpose of examining their books and the deposits and cash held by same.

Such supervision of the local institutes by the Central Institutes in those provinces where they exist takes the place of the supervision by a representative of the Government named by the Prefect to which reference was made in a previous paragraph. It is therefore official in character, and the law enjoins on the Central Institutes to take all necessary steps to ensure that this supervision of their affiliated local

institutes be carried out by thoroughly competent people, and in a continuous and effective manner.

All duly recognised and registered Central Agricultural Credit Institutes will receive from Government funds one single subsidy towards expenses of organisation, amounting to two thousand crowns.

Besides this, as a temporary grant towards administration expenses the Central Institute will receive from this same fund an annual contribution of 2,000 crowns during the first two years of its existence, one thousand crowns annually during the next four years, followed by five hundred crowns annually for the succeeding four years.

Apart from these direct grants, and with a view to reinforcing the safety of the transactions of the Central Agricultural Credit Institutes, the Government will deposit with the Royal Bank of Sweden on account of each Central Bank officially recognised and duly registered, government bonds to the amount of one hundred thousand crowns.

This deposit will be held by the Bank as security for the transactions of the respective Central Institutes.

Official recognition of the Central Agricultural Credit Institutes lies with the Prefects of the Provinces in which they are legally domiciled. On granting such official recognition the Prefect must appoint a functionary to whom he will entrust the duty of supervising and controlling the transactions of the Central Institute.

#### § 4. FORMATION OF THE WORKING CAPITAL OF THE AGRICULTURAL CREDIT INSTITUTES.

One of the most difficult problems to solve when drawing up the bill was that of the formation of the initial working capital required for the proposed institutes.

As far back as December, 1908 the General Direction of Agriculture had proposed the formation of a special State fund to be placed at the service of the agricultural credit institutes, but this proposal was definitively set aside by the Royal Commission on Finance, which pointed out that such a mode of procedure would have entailed a foreign loan, that circumstances were unfavourable to such a transaction, and that the money thus placed at the service of the credit institutes would be too costly for the institutes to be able to make a profitable use of it.

Thus direct Government financial support was ruled out, and other means had to be sought for supplying the requisite working capital to the proposed institutes.

After lengthy debates several proposals were adopted, the most important of which called for legislation authorising the agricultural credit institutes to act also as deposit banks not only for their own members but also for the general public.

Existing Swedish law authorised such economic associations to receive, subject to certain conditions, the savings deposits of their members; but

forbade all such business with outsiders. It was therefore necessary to enact additional laws, and this was at last done.

As a result, the proposed agricultural credit institutes are authorised to accept from outside individuals and institutions, as well as from members, all kinds of deposits, on condition that they be repayable only at fixed dates and on adequately lengthy notice. Deposits at call are thus excluded.

It is hoped that the agricultural classes will hasten to deposit their savings with these institutes, formed more especially for their benefit, and so contribute to their development and prosperity.

It was objected that the agricultural credit institutes might thus become dangerous competitors for the ordinary deposit banks, but the experts who were consulted replied that the activity of the credit institutes as deposit banks would never attain such a degree of development as to make them really dangerous rivals to the ordinary banks, or such as to entail a general increase in the interest on deposits. Far from facing each other as rivals, the two kinds of institutions should support one another; and to facilitate such collective action the deposit and savings banks have been authorised to open current accounts and to grant credit, after a preliminary agreement, to the local agricultural credit institutes.

This last provision will be of great assistance to these institutes, more especially in those provinces in which Central Institutes have not yet been established.

These latter will be entirely free to seek where they best may the funds they may require for financing the local institutes. The local institutes will place any surplus they may have with the Central Institutes and will act as branches of the Central for deposit transactions. The Central Institutes will thus act as intermediaries between the several local institutes, and when the organisation shall have attained an adequate degree of development a Central Agricultural Bank for the whole Kingdom will be established which, in its turn, will act as intermediary between the Central Institutes of the Provinces.

Besides this, in order to facilitate the work of the agricultural credit institutes, and on the strength of the security placed at its disposal for such transactions by the Government (see above) the Royal Bank of Sweden will discount on the most favourable terms, that is to say on the same terms granted to private banks, all paper endorsed by a local agricultural credit institute or by a Central Institute. Such paper, the life of which, including any rediscounts, must not exceed nine months, will be of special value for the purchase of forage, seed, fertilisers, and such like requisites.

Finally very advantageous terms have been arranged with the Direction of the Postal Savings Banks and the Pension Fund with a view to facilitating any further loans which may be required, more especially at the start, by the new agricultural credit institutes thus founded.



The most characteristic feature of this scheme for the organisation of short term agricultural credit is undoubtedly the fact that its success is entirely dependent on the interest which the farmers themselves, for whose benefit it has been devised, will take in it.

The Government facilitates by modest subsidies the initial organization of the credit institutes and their administration during the first difficult period. But once this critical period is over, and the organisation safely established, the Government leaves it almost entirely to its own resources, limiting its action to favouring the credit requirements of those institutes only which shall have attained a sufficient degree of vitality to allow of their establishing a Central Institute. It is the business of the institutes themselves to procure the necessary funds, and to administer them profitably and in such a manner as to secure public confidence. In short it is their business to succeed by their own efforts.

As to the establishment of the institutes and their mode of procedure, let us note the restriction of their sphere of activity within limits which make it possible for all the members not only to be personally acquainted but also to be posted as to the economic conditions and solvability of each other. This is evidently one of the surest guarantees against hazardous transactions.

It is also noteworthy that the loans are strictly limited to certain purely agricultural purposes which, as they all aim at improving farms already known to be prosperous, are almost certain to be profitable. On the one hand this limitation draws a distinct line between the business transacted by the agricultural credit institutes and that done by an ordinary deposit bank, thus largely eliminating the danger of competition between these two kinds of institutions; on the other hand it forms a guarantee not only for the safe use of the funds at the disposal of the credit institute, but also for the realisation of profits sufficient (as shown by the experience of other countries in which similar systems have been at work) to ensure the progressive and sure development of the whole system.

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ISCELLANEOUS INFORMATION RELATING TO CO-OPERATION  
AND ASSOCIATION IN VARIOUS COUNTRIES.

ALGERIA.

MUTUAL AGRICULTURAL CREDIT INSTITUTIONS IN 1914. — The *Journal officiel* of June 11th., contains the report of M. Malvy, Minister of Home Affairs, on the work of the Algerian Mutual Agricultural Credit Institutions in 1914.

On December 31st., 1914, there were in Algeria 41 regional agricultural credit banks, the same number as at the end of the preceding year. Their business was very appreciably reduced owing to the war; the number of bills discounted, which in 1913 was 18,264 for a total amount of 15,620,663 frs. decreased to 11,713 for an amount of 11,229,151 frs. The deposits decreased in the same way, but, if the amount received in deposits during the year was reduced, it was none the less 3,500,000 frs. on the 31st. December. This is evidence of the confidence the banks continue to inspire in both colonists and natives.

The following conclusion was arrived at in the report:

"We can only congratulate ourselves upon the situation which shows that confidence the regional agricultural mutual credit banks inspire in certain regions and above all allows of the hope that in 1920, the date at which repayment in full of the advances granted out of the funds of the Bank of Algeria may be demanded, these Banks, or at least some of them, may be able to continue to render the farmers the same services as at present by means of the amounts they hold in deposit."

The situation of some regional banks, in respect of deposits, is exceptional. Thus, that of Algiers, with a paid up capital of 369,000 frs., had on December 31st. last deposits to the amount of 1,510,000 frs.; that of Nemmen, which has a capital of 167,600 frs., had at the same date 1,278,000 frs. in deposit. The advances received since 1901 by the Regional Banks amounted, after deduction of repayments, to 5,206,133 frs.

In the course of 1914, six new co-operative societies have been founded, two of them in the department of Algiers and four in that of Constantine. The report mentions that this last department had hitherto remained outside the co-operative movement.

## CANADA.

THE WORK OF "THE UNITED FARMERS OF ALBERTA." — The association known as The United Farmers of Alberta was organised in 1909 as the result of a conference attended by representatives from a very large number of local farmers' associations which had come into existence throughout the province and which, until then, had been working practically independently of one another. The association was organised as a central directing body, but its functions are purely educational. Each local union — there are at present some 660 in the province — retains complete freedom over its own affairs, elects its own officers, and attends to all local business without reference to the central association. The local unions pay an affiliation fee on a *per capita* basis of 50 cents for each member. Some of them have as many as 200 members, but the tendency at present is to break up the very large unions into more manageable units, and then for certain purposes, particularly for co-operative buying and selling, combine several local unions into district associations.

Local unions on affiliation agree to adopt the statutes of the central association. These statutes declare the objects of The United Farmers of Alberta to be as follows:

- (a) To further the interests of farmers and ranchers in all branches of agriculture; to promote the best methods of farm business; to gather market information; to obtain by united efforts profitable and equitable prices for farm produce, and to secure the best and cheapest transportation.
- (b) To study and teach the principles of co-operation and to promote the establishment of co-operative societies.
- (c) To watch, influence and promote legislation relative to the objects specified in the preceding sub-sections (a), and (b) and to advance any other matter affecting the farmer's business, and to take any legitimate action necessary for this purpose.
- (d) To promote social intercourse and the study of economic and social questions bearing on our interests as farmers.
- (e) To settle disputes between members without recourse to law whenever possible.
- (f) To take into consideration any member's case of grievance, hardship or litigation, and to defend our members as far as it may be possible and just.

For some time after 1909 the local unions seem to have shown but little initiative. In 1913 and 1914, however, there was considerable activity in various directions, probably in sympathy with the contemporary movement in favour of agricultural co-operation in the United States. Speaking generally, the local unions are still far from their fullest development, but substantial progress is being made, especially in the matter of co-operative buying and selling. The business undertaken by a union depends naturally upon the type of farming in which the majority of the members are engaged.

mixed farming districts many unions organise the co-operative shipping of live stock. In grain growing districts some of the unions have established centres for the cultivation of high grade seed which they tribute to their members. Other unions, again, have organised egg-laying agencies.

One of the most successful unions is to be found at Cowley. The members of this union meet twice a month for the purpose of hearing addresses from agricultural experts. Twice a year the members hold sales of cattle and horses, and these sales have already proved very successful and are attracting the attention of buyers to the Cowley district. In 1914 the total sales amounted to \$13,000. The members also purchase collectively such farm supplies as binder-twine, fencing material and lumber. In 1914 their collective purchases amounted to \$16,000. The union publishes a monthly bulletin which keeps the members fully informed as to the progress of the various branches of union work.

Membership in the unions is open to farmwomen, but as a rule the women organise separately in auxiliary associations; and in January of this year (1915) the women established their own provincial central organisation under the title of "The Women's Auxiliary to the United Farmers of Alberta."

In 1913 the United Farmers of Alberta secured the passage of an act by the Provincial Legislature creating the Alberta Farmers' Co-operative Elevator Co. Ltd. This company, beginning business with 50 local elevators, increased the number to 80 in the first year, handling in that year a total of 3,774,381 bushels of grain. In addition it undertook the co-operative sale of livestock and the collective purchase of farm supplies. The last mentioned business reached important proportions in the first year of working, the total value of the supplies purchased being approximately \$300,000.

#### ITALY.

THE RESULTS OF THE LAST PRIZE COMPETITIONS AMONG THE AGRICULTURAL BANKS AND CONSORTIUMS OF SICILY AND LIGURIA. — The *Gazzetta Ufficiale del Regno d'Italia* of June 28th., (No. 161) publishes the results of the competitions opened, in terms of article 24 of the law No. 100, of March 29th., 1906, by Ministerial Decree of October 10th., 1914, among the Agricultural Banks and Agricultural Consortiums and Societies of Sicily.

For the competition opened among the societies and consortiums there were no entries. But 21 co-operative societies entered for the competition opened among the banks. Of these, two were excluded on account of their already having received prizes in previous competitions. By virtue of the Ministerial Decree of June 19th., which provided that, as there had been no entries for the competition among the consortiums and societies,

the prizes offered for it should be added to those offered for the competition among the banks, the following awards were made:

(a) The two first prizes of the first class, of 3,000 frs. each, were granted to the Agricultural Co-operative Society for Mutual Aid, "La Mada terra", of Castrogiovanni, and the Farmers' Association of Santa Caterina Villarmosa.

These two banks had the largest number of members of those competing and the largest credits at the Agricultural Credit Department of the Bank of Sicily. Besides this, they perform a really efficacious work for the benefit of their members and of the agricultural economy of the region in which they work, with highly appreciable results.

(b) The two first prizes of the second class, of 2,000 frs. each, were assigned to the Catholic Farmers' League of Camporeale, and the Agricultural Co-operative Society "La Previdenza", of Valguarnera.

These two banks, also possessed of by no means insignificant capital and a sufficiently large reserve fund, do excellent work, as the Bank of Sicily attests, and conduct many agricultural credit operations with good results.

(c) The other eight prizes of the third class, of 1,000 frs. each, were awarded to those societies among the remaining fifteen that have longest been engaged in agricultural credit business and have conducted most operations and the work of which is most conformable with sound management and true co-operative principles: namely:

- 1st. The Co-operative Bank Vittorio Emanuele III of Barcellona Pozzo di Gotto;
- 2nd. The Rural Bank "La Previdente" of Borgetto;
- 3rd. The Agricultural Society San Vincenzo Ferreri of Calamonaci;
- 4th. The Agricultural Bank Rinnovamento of Canicattì;
- 5th. The Agricultural Co-operative Society for Production and Labour of Licodia Eubea;
- 6th. The Agricultural Co-operative Society for Production and Labour of Misterbianco;
- 7th. The Agricultural Co-operative Society "La Partinicese" of Partinico;
- 8th. The Co-operative Society La Fratellanza of Mirabella Imbaccan.

The *Gazzetta Ufficiale* of June 14th. (No. 158) has published the results of the prize competitions opened among the agricultural consortiums and agricultural and rural banks of Liguria, according to Ministerial Decree of October 12th., 1914.

Three institutes entered for the competition among the consortiums, one of which, the Prelà Agricultural Co-operative Distributive Society, has, up to the present chiefly exerted itself for the direct supply of articles for personal consumption to its members. The other two, the Agricultural Co-operative Consortium of Albenga and that of San Remo, both on account of the means at their disposal and the importance of the work done by them in favour of local agriculture, received the two second class prizes of 2,000 frs. each.

Three societies entered for the competition among the agricultural and rural banks: two of them, the Mutual Livestock Insurance Society and Rural Bank of Calice Ligure and the Rural Bank Sant'Antonio of Masone, are co-operative societies formed among owners of horned cattle, principally for the purpose of livestock insurance and have up to the present done quite significant business in the field of credit; the third, the Rural Loan Bank of Diano Borgonzo, has for its principal object the grant of credit to its agricultural members, and on account of its work, which, although still somewhat restricted, has been already beneficial to the farmers, a third class prize of 1,000 frs. was assigned to it, with the object of encouraging the formation of societies of the kind and their extension in the country.



## Part II: Insurance and Thrift

### ITALY.

#### 1. SCHOOL AND FOREST MUTUAL SOCIETIES IN ITALY.

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### § I. THE EARLIEST SCHOOL MUTUAL SOCIETIES.

The school mutual societies represent one of the most recent and most ingenious applications of the principle of mutual assistance. They are, in fact, societies formed among pupils of the elementary schools, who, by means of the payment of a very small weekly contribution, secure for themselves a subsidy in case of sickness and a pension in their old age. The members may, as we shall soon see, continue in the societies after leaving the school until they attain the age necessary for admission into societies for adults.

In addition to their direct economic advantages they are also the most efficient promoters of thrift. And indeed, at an age, when the character is being formed, and good and bad habits are most easily acquired, they thus succeed in spreading ideas of economy and thrift, and gradually instilling in the minds of the children the principle that great sacrifices must be made in view of uncertain and distant needs; and, indirectly, the propaganda reacts on the parents by whom the contributions are really paid.

For this reason the school mutual societies seem deserving of the greatest encouragement. The idea was first conceived in France by M. Caillet, who was authorized to make the first experiment in the schools of the nineteenth arrondissement of Paris (1881) and from Villette and Belleville it spread rapidly from city to city, from market town to market town, gradually overcoming scepticism and indifference, surmounting the initial obstacles, and everywhere gaining adherents and winning sympathies, until almost a million children had been received and organized under this standard of peace (1).

Next the movement extended to Belgium, where it spread even more rapidly and where it led to the foundation of many most useful institutions, ensuring a larger attendance at the schools, and increasing the numbers registered with the Thrift Institute; and the associations became "mixed", as the children, with their persistent enthusiastic propaganda drew into the orbit of the thrift association their parents, brothers and sisters, rendering it thus a powerful link between school and family, and school and life.

Then the idea of school mutuality conquered some of the Swiss Cantons and in 1903-1904 spread into Italy. Here it was at once taken into consid-

(1) According to the most recent statistics collected by F. Petit, General Inspector of Public Education, the Statistics of French School Mutuality may be summarised as follows. In 1913-14, there were working in France 4,666 school mutual societies, most of them cantons with 870,994 members paying regular contributions. More than 5,000,000 frs. were paid during the year for old age pensions and mutual assistance. The French school mutual societies have succeeded, by means of these latter payments, in collecting 60,000,000 frs., son by son by means of the collective savings of the children of the cities and of the country. Besides this there are more than 100,000 young persons belonging to 7,042 old pupils' associations (*petits amicales*).

tion by the press and received very favourably by many teachers, it was discussed in public congresses and in Parliament and gradually extended itself in the large and small centres. The first trial was made in Ancona in 1893, but it remained isolated, and another three years had to pass before something of the same kind was done in Milan. But it was only after the National Congress of Piacenza in 1908 that the propaganda and action in behalf of school mutual societies in Italy grew important. In that year began all the work of propaganda, carried on from one end of the country to the other, in articles, lectures and publications, in behalf of this most noble idea, leading to the Raineri law of July 17th., 1910, in which the Italian Government recognised and regulated the school mutual institutions. Let us proceed at once to an examination of the principal provisions of the law, and the executive regulations approved by Royal Decree of August 18th., 1913 (1).

## § 2. THE PRINCIPAL PROVISIONS OF THE LAW AND REGULATIONS ON SCHOOL MUTUAL SOCIETIES.

The mechanism of the law of July 17th., 1910 on School Mutual Societies is very simple. It in the first place provides that the mutual aid societies formed among the pupils and former pupils of the public and private elementary schools may obtain recognition from the State. For the purpose, it is, however, necessary that these societies should have among their objects that of ensuring their members old age pensions from the National Thrift Institute and that their rules be in conformity with the provisions of the law and the regulations (2).

(1) Executive Regulations for the law were first approved by Royal Decree of March 19th., 1911, No. 465, but they did not give full satisfaction and were abrogated and substituted by the Royal Decree of August 18th., 1913, No. 1,088.

(2) According to art. 1. of the Executive Regulations No. 1,088 of August 18th., 1913, the rules of a mutual aid society requesting legal recognition in the sense and for the purposes of the law of July 17th., 1910, must indicate: (1) the title assumed by the society, its headquarters, and district; (2) its intention to ensure its effective members old age pensions by means of their immediate direct registration in the National Thrift Institute for Workmen's Sickness and Old Age, with distinct specification of its other objects if any; (3) the conditions and modes of admission and expulsion of members, whether effective or of other character (contributing, honorary, benefactors, etc.); (4) the rules for the constitution and validity of the meeting of the society, the constitution of the Board of Management, and of the Executive Committee and the Committee of Examiners, if any, the mode of election of such bodies, the period for which they hold office, and the nature of their functions; (5) the mode in which the society is represented in law with third parties; (6) the date of opening and closing the working year; (7) the obligation of keeping minutes of the members' meetings and the meetings of the Executive and of the Committee of Examiners; (8) the amount of the periodical contributions of payments in full and the amount within which they must be made by the effective or other members, and statement as to whether the members of the teaching staff of the respective elementary schools or other persons are exempted from such contributions or payments; (9) the benefits the society obtains for its

This recognition gives the societies legal personality and certain privileges (exemption from stamp and registration duty, from the insurance tax and income tax) and renders undistainable the subsidies due to members from the societies. It is conferred by Royal Decree on the recommendation of the Minister of Agriculture, Industry and Commerce in agreement with the Minister of Public Education, after consulting the Council of Thrift and Social Insurance.

The National Thrift Institute for Workmen's Sickness and Old Age is therefore authorized by the law to register in a special list, with the contributions, which the mutual society binds itself to set aside to accumulate for the members of the society between the age of 6 and 12 years. At twelve years of age, those thus registered who belong to the working class, shall be transferred, with their credits, to the workmen's lists of the National Institute; those, on the other hand who belong to other social classes, shall be transferred to the lists of the popular annuity insurance, under the administration of the same Institute.

The latter is bound to assign to those registered in the school mutual society lists, who have paid an annual contribution of not less than three francs, an annuity fixed by the Board of Management of the National Institute at 1.50 fr. (1).

To this annuity there is further added, only in the case of members who have been at public schools, an annual State contribution fixed by the law at a maximum of 50 centimes for every member registered, who has, before said, contributed 3 frs. to the National Institute.

To obtain the means for such registration, the school mutual societies collect every week from the individual pupils the amount of 10 centimes making an annual amount of 5.20 frs. per pupil, of which 3 frs. are paid

effective members; (11) the methods of investing and keeping the capital of the society; (12) the existence of the obligation of presenting a balance sheet at the end of every year to the approval of the members' meeting; (13) the conditions and procedure in case of decision in regard to amendments of the rules, union with other mutual school societies, dissolution and liquidation; (14) in the case of societies with considerable numbers of members, it may be provided in the rules that the functions of the members' meeting are transferred to the Board of Management.

To render the legal recognition of the school mutual societies of new formation easy and rapid, the Council of Thrift and Social Insurance has approved model rules, the adoption of which obviates the necessity of consulting it in regard to the application for recognition presented by the societies.

(1) According to the rules decided upon by the Board of Management of the National Thrift Institute, for the persons registered in the special school mutual society list, who have reached the twelfth year of their age and, belonging to the working class, are transferred to the workmen's list of the National Institute, the annuity is raised from 1.50 fr. to 3 fr. a year. With the assistance from the Society, the young workmen who continue to contribute regularly in their 12th year an annual amount of 6 frs. — the minimum contribution giving adults right to annuities — will ensure for themselves at sixty years a pension of 300 frs., if registered in these societies from their sixth year; 294 frs., if from their seventh year; 289 frs., if from their 8th year; 283 frs. if from their 9th year; 278 frs. if from their 10th year and 273 frs. if from their 11th year.

the National Thrift Institute and the rest is set aside to meet the second object of these organizations, that is mutual aid in case of sickness. Every pupil indeed who falls ill receives from the society a daily subsidy of 50 centesimes, for a given period of time.

In Italy, as in France, the school mutual societies provide for both sickness and old age, nor is this the place to enter into the details of the organization of their services. It is more important for us to show that the executive regulations provide that several societies may federate for the object of regulating and facilitating the transfer from one to another federated society of the effective members who have changed their school in their district and also for that of collectively regulating the system on which they work, without, however, their losing their respective independence.

Like the individual societies, also the federations may obtain legal recognition.

As regards the management of the school mutual societies they are forbidden to acquire buildings, accept legacies or donations without previous authorization by Royal Decree. They are also forbidden, while the society exists, to make any distribution of their available funds. In case, however, of a member being transferred from one school society to another, the rules may allow for the transfer of amounts from the one society to the other.

The executive regulations contain special rules in regard to amendments to be made in the rules of the societies, the union of societies or their voluntary dissolution. These steps must be decided on in special meetings or by the Board of Management, when the powers of the meeting are transferred to it. Before they can take effect such decisions must be approved by Royal Decree.

Finally, the school mutual societies are subjected to the supervision of the Minister of Agriculture, to whom they must submit each year: (a) a copy of their accounts, within two months from the date on which they are passed; (b) statement of the assets of the society at date of termination of the working year to which the accounts refer; (c) copy of the minutes of the general meeting in which the accounts were approved and the report of the examiners; (d) a special report in regard to each donation or request of a permanent character.

When a society, in spite of special warnings and eventual provisions of the Minister of Agriculture, Industry and Commerce, does not conform to the suggestions of the Minister, its legal recognition may be taken away, and then, with the approval of the Council of Thrift, it may be dissolved and its estate liquidated.

### § 3. SOME STATISTICS OF SCHOOL MUTUAL SOCIETIES IN ITALY.

The first school mutual societies arose, as we have said, in 1903 at Ancona and in 1906 at Milan, but an intense and active movement in behalf of school mutuality only began in Italy after the National Congress of

Piacenza in 1908, held under the presidency of Signor Luigi Luzzatti. It was in fact after the fifteenth of November of that year that the idea of school mutual societies spread extensively in the Peninsula with the help of articles and lectures.

We have as yet no general statistical returns of the societies existing in the Kingdom (1): but from information obtained directly from the Department of Agriculture we know that the total number of recognised school mutual societies last June was 53.

Remembering, however, that each of these associations, as a rule, has several sections, it may be considered without fear of exaggeration that the societies for the purpose now working in Italy either as independent institutes or as sections of larger organizations, are more than 1,000.

If we have no general statistical returns, we have, however, interesting information in regard to the individual mutual societies, some of which we shall give here, beginning with the most important society in the Kingdom, the "Mutualità Scolastica Italiana", with headquarters in Milan.

Founded on March 3rd., 1907 and recognised as an incorporated organization by Royal Decree of September, 1913, it has now as many as 69 sections distributed among the various regions of Italy. On July 31st., 1914, it had 92,000 registered members, and had collected from them, up to the end of September, 1914, 547,109 frs. and paid them altogether 167,577 frs. in subsidies during sickness.

In return for 10 centimes paid per week, the pupils registered in the society who fall ill receive an allowance of 50 centimes a day for a period of 3 months and, afterwards, if the sickness continues, 25 centimes a day for another three months up to a maximum total for one illness per pupil of 67 fr. 50 centimes.

The member may claim the subsidy after four days from date of reporting his illness; the report may be either made verbally or in writing with the presentation of pass book with payments duly verified.

The sick pay may be consigned at the end of the sickness or in weekly or monthly instalments. It is paid to the member up to the 13th. year of his age and in any case up to the 31st. of July of the year after he leaves the elementary school.

All sicknesses entitle the member to sick pay, provided they are contracted after registration, and are not due to constitutional disease, intemperance, or want of cleanliness, and are not of a chronic nature. In the latter case, subsidies are granted in case operations have been necessary.

The pupil who has fallen four weeks in arrear with his payments, forfeits his claim to sick pay, and will not be reinstated in the right, until

(1) The Department of Agriculture, Industry and Commerce, which is bound to publish every three years a report on the progress of the recognised school mutual societies, is now preparing statistical tables. An enquiry was held into the school mutual societies in Italy in 1911 on the initiative of the "National School Mutual Societies Committee" (*Comitato Nazionale della Mutualità Scolastica*). From it we learn that in that year 469 societies were at work in the Kingdom.

th after his payments are in order ; his rights to pension, however, re-  
intact.

For a delay of three months in his payments, not justified by serious  
ons, the member may be expelled from the society.

The "Mutualità Scolastica Italiana" further provides for the immediate  
tration of its members in the National Thrift Institute, and has paid  
to the latter for the purpose between 1911 and 1913, 42,342 amounts  
ing a total of 127,026 frs.

With regard to its financial situation it will suffice to point out that  
eptember 30th., 1914 the total credits and debits amounted to 63,557.45  
and that, at the same date, its total assets were 98,435.50 frs.

The "Mutualità Scolastica Italiana" besides carrying out as above  
n its ordinary programme of work, has not failed to encourage sup-  
plementary mutual undertakings, such, for example, as baths and health  
ts, the object of which is to strengthen the children's physique and so  
revent the diseases to which they are exposed. Two colonies,  
ed by it, are already working, one on the coast at Porto Maurizio, the  
r in the mountains, at S. Fermo della Battaglia (Como), where the  
members, pay the low rate of two francs a day for board and lodging  
may utilise for the purpose the sick pay due to them.

The Association has likewise encouraged the foundation of a river colony  
odi, with the intention of profiting by the resources that the open  
1, with the streams traversing it, offers for the physical regeneration of  
children and has also given its support to other beneficent undertakings,  
th it would take too long to enumerate here.

This action it has been possible to carry out by means of assistance  
ived from the Department of Public Education, which has granted a  
idy of 5,000 frs., the Commune of Milan, which contributes 3,000 frs.  
ear, and the Savings Bank of the Lombard Provinces and the Milan  
ple's Bank.

The Association publishes a monthly Bulletin, which it distributes  
to its sections and which contains valuable information on the school  
ual societies of Italy.

The "Mutualità Scolastica Romana" founded in Rome on March 1st.,  
and recognised as an incorporated body in April, 1913, also deserves  
tion. In 1914 it had 47 sections, with 2,474 members making regular  
ments, and had an income of about 14,000 frs. altogether. On September  
1., 1913, its share capital amounted to 32,957 frs.

This mutual society each year registers more than 2,000 members in  
National Thrift Institute and gives assistance on an average each year  
five thousand days of sickness. In 1914 it distributed 2,141 frs. in sub-  
es. It provides itself for the requirements of its own administration  
as a rule has a credit balance each year of more than 1,500 frs.

The work of the "Mutualità Scolastica Romana" is not limited to sub-  
sing sick members, but, like the "Mutualità Scolastica Italiana",  
as studied the means of preventing sickness by giving the poorer and  
lder children the benefit of sea and mountain air. To this benevolent

purpose it devotes its available funds each year. So, in the summer of 1914, fifty children were able to recover their health on the Adriatic shore and among the Apennines.

In the same year, the Commune of Rome gave the "Mutualità Scolastica Romana" a subsidy of 2,000 frs.

Another School Mutual Society, that has made progress and is well managed, is that of Venice, which has existed for seven years and has many sections. The number of its members had risen since its foundation (from the beginning) up to the end of 1913 to 5,643, with an increase of 1,500 members a year in each of the years 1911-12 and 1912-13.

The total amounts collected in the year were 9,926.67 frs. out of which 2,770.75 frs. were paid for assistance in 212 cases of illness and 7,155.92 frs. were placed to the pension account.

§ 4. "FEDERAZIONE NAZIONALE DELLE MUTUE SCOLASTICHE" AND "COMITATO NAZIONALE DELLA MUTUALITÀ SCOLASTICA".

All the school mutual societies founded in conformity with the law of July 17th., 1910 above considered are members of the *Federazione Nazionale delle Mutue Scolastiche* (National Federation of School Mutual Societies) with headquarters in Rome. Its object is to encourage the foundation of school mutual societies and provincial federations, to regulate and facilitate the passage of effective members from one to another on their moving from one school or district to another school or district; to regulate collectively the services of the federated mutual societies, while respecting their independence, and to work generally for the technical improvement and the extension of school mutual societies.

Meanwhile the Federation aims at a closer union with the mutual societies, so as to facilitate the passage of old pupils to the societies of adults. The funds for its work are provided by the contributions of the federated societies and assistance is furnished by various organizations.

The administrative authorities of the Federation are: (a) The meeting of the affiliated mutual societies; (b) the Board of Management and Executive Committee; (c) the Committee of Examiners.

All the federated mutual societies, whatever the number of their members, have a right to be represented in the meeting, which assembles each year not later than September. The Board of Management consists of the President and 16 members, elected from among the delegates of the affiliated societies, if possible one per region.

This Federation, in its work of propaganda, is bound to co-operate with another organization, founded by common desire of the representatives of the various mutual societies with the assistance of the Ministerial Department of Public Instruction and Agriculture, namely the *Comitato Nazionale della Mutualità Scolastica* (National School Mutual Societies Committee). It has its headquarters at the National Thrift Institute for Workmen's Sickness and Old Age, and its objects are: (a) the extension of school mutual societies.

eties (1); (b) the study of all methods of improving the institution, and rendering it more efficacious especially for purposes of education; (c) the promotion and facilitation of relations between the school mutual and the adults' mutual societies; and (d) co-operation with the National Thrift Institute, for the benefit of all registered members, either by means of workmen's insurance, or the popular insurance of life annuities.

The Committee is composed of representatives of the Departments of Public Instruction, Agriculture, Industry and Commerce, and of the National Thrift Institute, as well as of the representatives of organisations contributing at least 100 frs. a year and of the societies. It began its propaganda by the publication and wide distribution of a pamphlet containing information and instructions for the use of the promoters of school mutual societies.

#### § 5. FOREST SCHOOL MUTUAL SOCIETIES.

An original application of school mutuality is to be found in the forest school mutual societies, started first in France (2) and then introduced into Italy, for the purpose of diffusing among the pupils of the elementary schools an interest in arboriculture. However, they do not aim at solving the economic or technical problem of reafforestation, but the moral question, at forming, that is to say, a forest morality. And here the school may give valid assistance, training the children from their early years to love and respect trees.

The object of the ideas on which they are based is to obtain from the Communes, the Provinces, the State, or private persons, either as free gifts, or on purchase or on long lease, waste land of small value for reafforestation.

(1) Recently, the National League of Co-operative Societies (*Lega Nazionale delle Cooperative*), in agreement with the Italian Federation of Mutual Aid Societies (*Federazione Italiana delle Società di Mutuo soccorso*), sent out a circular to the mayors of the Kingdom and the Presidents of the School Patronage Commissions, urging them to initiate and encourage in the various regions the organisation of the collective purchase of books and articles for school use, devoting the profits, now absorbed by numerous greedy middlemen, to favouring the development of school mutual societies. See in this connection, *La Cooperazione Italiana*, organ of the two above mentioned institutions. Milan, No. 1,132. March 26th, 1915.

(2) In France, in the department of Vosges, the forest school mutual societies are now 49 in number. In the year 1912-13, 39 of them had 1,652 members. Almost all have nurseries where the pupils plant, weed, transplant etc. under the direction of the masters. In that year, the mutual societies of the Vosges had 178 nurseries; they had reforested about 48 hectares of uncultivated land and planted quite 103,212 trees. A part of the profits made is employed on the purchase of seeds, but most is entered in the pupils' pass books and so serves the purposes of thrift.



The profits of the labour of the small "planters" are paid into a common fund, which serves to increase the payments made by them to the school mutual society towards their old age pensions.

"I have thought", so wrote, in regard to this, the French Senator Audiffred, whose words we reproduce here as so well explaining the matter, "that it would be advisable to give each of the school mutual societies an area of 5 or 6 hectares, selected for its fertility, to be reafforested. For a hectare of uncultivated land the average price is 200 frs. Intelligently reafforested under the direction of a technical office, it would be worth, in about thirty years, from 2,000 to 3,000 frs. and after ten years it would give no small yield. Every cantonal association should be endowed, from the beginning and very quickly with a capital of from 10,000 to 12,000 frs., to be increased by new donations. The yield from the reafforested land, at first rather small, would in time be 200 or 300 frs. and perhaps more, and the contributions of the pupils to the National Thrift Institute would be thus increased. In this way the young would be initiated in a social work of thrift in the formation of old age pensions and an economic work in the reafforestation of mountains."

With these principles the forest mutual school societies have spread in France. And also in Italy some have arisen, in the provinces of Bologna, Forlì, Cuneo, etc. At Cesena in 1914 the school mutual societies obtained from the Charity Commission (*Congregazione di Carità*) the free use for nine years of an area of 6,000 square metres, where the small members of the mutual societies planted 1,000 Canadian poplars in 1914 and another 1,000 in 1915. The Mutual Society will gradually receive the revenue to be obtained from these plantations, including what may be gained by the felling or lopping of the trees planted during the term of the grant or on its expiry. And since every year 1,000 new Canadian poplars are planted, and those grown to maturity are cut down and sold, it is calculated that one day the school mutual society of Cesena may be in the possession of an annual income of about 10,000 frs.

There are three mutual reafforestation societies in the district of Bologna. In addition to this, in 1912, under the auspices of the local agricultural co-operative consortium, a committee was founded at Cuneo for the promotion of a school forest mutual society. This committee, leasing a piece of ground from a private person, at once undertook the plantation of a forest there, for the benefit of the proposed mutual society.

Finally, we find the principles of forest school mutual societies applied in the province of Rome at Civita Castellana, where, some time ago, a communal forest, likewise reserved for the school mutual society, was started with a thousand trees.

The principles of school mutuality may also be applied in rural schools in connection with rabbit breeding, horticulture, beekeeping etc. For example, the school mutual society of a rural commune of the Province of Turin engages in rabbit breeding and gives part of the profits it makes directly to the pupils, and places part in the social thrift fund.

In conclusion, in regard to school mutual societies generally, we think

We may say that, as preparatory to the various forms of compulsory social insurance, they must be appreciated and deserve all encouragement as endeavouring to instil into the minds of the pupils of the schools for the children of the people the virtues of economy and thrift. In Italy certainly the societies have not yet spread to the extent they should, but there is every ground for hope that the wholesome movement may in time gain in force and come into greater favour.

## 2. MISCELLANEOUS NEWS.

1. — THE "COMITATO NAZIONALE DELLA MUTUALITÀ AGRARIA" AND ITS REGIONAL OFFICES. — Mutual associations, which supply a strongly felt need of the rural population, have in recent years been acquiring more and more importance in Italy, and this is above all true of the mutual livestock and fire insurance associations. There are in fact more than a thousand of the former especially to be found in Northern Italy. Of the latter, there are about 400, more than 200 of them in Piedmont alone.

They are encouraged not only by the Government, which grants subsidies and prizes to the best societies, but also by a special organization, which promotes and regulates the movement in the country districts; the *Comitato Nazionale della Mutualità Agraria*. This Committee, of which the Hon. V. E. Orlando is the President, was founded in Rome four years ago, with the object of "spreading mutual and thrift institutions in the country and bringing their action into harmony with the existing co-operative associations (for 'credit, production, distribution etc.')." For the purpose it distributes tracts, model rules, forms for the use of the boards of management of the societies, organizes lectures and visits of inspection and diffuses a knowledge of sanitary principles in relation to livestock improvement; in fact it takes all possible steps to reinforce and extend the work of the various forms of agricultural mutual societies (1).

(1) The Comitato Nazionale della Mutualità Agraria is governed by a general Board consisting of nine members: (a) three nominated respectively by the Departments of Agriculture, and Home Affairs and the National Thrift Institute; (b) two by the ordinary members; (c) two by the donating members; (d) two by members called *benemeriti*. The ordinary members pay an annual contribution of 5 frs.; the donators are all institutes, co-operative and mutual, paying a contribution of more than 10 frs. a year; the *benemeriti* are all the organizations, Min-

Among its various activities, special attention must be given to the institution of the *Regional Agricultural Mutual Offices*. And, indeed, the Committee, from the start, had to extend its action to the whole country, it recognised it could not follow closely, as zealously as it should, the life and progress of the societies in the separate regions, and could not with advantage give from a distance the technical and moral assistance which the farmers so much require, especially in the small centres. It therefore determined on founding organisations to enable it to act with more efficacy *locally*, while they keep in close touch with the Central Committee in Rome and follow its directions. This was the origin of the Regional Agricultural Mutual Offices, of which there are already seven, at Turin, Florence, Reggio Calabria, Genoa, Mantua, Rome and Palermo. These offices, besides giving advice on technical and administrative matters in connection with the foundation and working of mutual societies, act as local centres of propaganda, encouraging the foundation of new associations and deriving inspiration for their work from the requirements and conditions of the various agricultural circles. We shall give some information in regard to certain of these Offices (1):

*Regional Office for Sicily:* This office was founded at Palermo on January 7th., 1915, with the help of the Government and the local organisations, with the following aims: (1) to promote, under the guidance of the Comitato Nazionale della Mutualità Agraria, together with the local agricultural institutions (itinerant lectureships, agricultural comizi, consorzi and societies, boards of health and provincial boards etc.), the foundation and equipment for administrative and technical purposes of mutual livestock insurance societies; (2) to urge the local mutual societies to federate and reinsure; (3) to spread, especially among the small tenant farmers and landholders, a knowledge of sanitary principles in connection with livestock improvement, and the practice of the association in regard to the improvement of the breeds of livestock; (4) to diffuse a knowledge among the people of the rules for the constitution and good working of the co-operative and mutual institutes (mutual hail, fire, livestock and agricultural labourers' accident insurance, mutual societies for the exchange of labour etc.); (5) to diffuse in the country districts a knowledge of the institutes of thrift and their objects; (6) to prepare careful and complete statistics of the mutual societies and the statistics of their work; (7) to study and to attempt to realise, by way of experiment, other forms of agricultural mutuality.

The office carries on its work by means of verbal propaganda, the circulation of publications supplied by the Comitato Nazionale and the

Ministerial Departments, provinces, communes, savings banks etc. and all individuals furnishing annual subsidies or temporary grants. Recently this Committee was recognised as an incorporated body. See: *La Mutualità Agraria*, Rome, no. 6, April, 1915.

(1) This information is reproduced from the review *La Mutualità Agraria*, organ of the Comitato Nazionale per la Mutualità Agraria and of the above mentioned Regional Offices Nos. 2, 3, 6 of January 30th., March 30th., and April 30th., 1915.

education, equipment and inspection of the management of mutual societies.

*The Tuscan Regional Office:* This was established at Florence, to serve the whole of Tuscany. It has been working for almost a year. It was founded with the intention of reviving in the Tuscan country districts the use of thrift, through the organisation of farmers in small mutual societies, fire, hail and labourers' accident insurance societies, and propaganda in favour of the registration of the peasants in the National Thrift Institute.

Up to the present, however, the office has been chiefly concerned with mutual livestock insurance. Thanks to it, societies have been founded for mutual livestock insurance at Prato, Chiusolino, Barga, Tezzana and Montepoli and two for mutual fire insurance at Prato and Massa. Others are in course of constitution and will soon begin work.

The office has likewise carried on active propaganda in favour of mutual cattle service station societies, livestock improvement syndicates and associations for the registration of the local breeds in stud books.

*The Calabro-Lucano Office:* The first of the Regional Offices inaugurated was that of Reggio Calabria, founded on November 26th., 1913, the work of which began in the following January.

In view of the special conditions of the regions in which this office works, in which the spirit of association is not strong, its work up to the present has developed slowly in the midst of serious difficulties. It is concerned with propaganda in favour of the constitution of mutual livestock insurance societies and the diffusion, by means of them, of good sanitary principles to be adopted in livestock improvement in order rapidly to attain a considerable progress in regard to livestock, and also with the diffusion of rules for the foundation and efficient working of mutual hail, fire and labourers' accident insurance societies and the collection of accurate statistics of these societies.

The societies it has promoted are now fifteen. They are all legally constituted livestock societies and have about a thousand members and have secured a million frs. Many other societies are in course of being founded.

The office has also contributed to the study of local problems connected with mutuality, such as the livestock question, those of agricultural credit, agricultural contracts etc.

*The Lazial-Sabine Office:* This was instituted on November 1st., 1914. It has its headquarters in Rome. It aims at diffusing the principles of mutuality and thrift in the country districts of Latium and Sabina. It has its own manager and its own special funds, to which the commune and province of Rome, the Savings Bank and various other communes and organisations, as well as the Departments of Home Affairs and Agriculture have contributed. The office has begun its work by organizing a series of lectures and meetings for purposes of propaganda.

With similar objects, the Regional Offices for Piedmont, Liguria and the district of Mantua have been founded and are working, and others

will be founded in time, as it is the firm intention of the above National Committee to found a special agricultural mutual office in every region of Italy.

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2. — LA CASSA MUTUA DEI PROPRIETARI DI FONDI RUSTICI IN TOSCANA (*Mutual Society of Rural Landholders in Tuscany*) AND LA CASSA MUTUA LOMBARDA PER L'ASSICURAZIONE CONTRO GLI INFORTUNI AGRICOLI (*Lombard Mutual Agricultural Labourers' Accident Insurance Society*). — From the recently published annual reports on the work of these two Mutual Agricultural Labourers' Accident Insurance Societies, we reproduce a few statistics of special interest.

The Tuscan Mutual Society (*Cassa Mutua Toscana*) first began work on April 5th., 1909, extending its action to the provinces of Florence, Arezzo, Siena, Lucca, Pisa, Leghorn and Grosseto (1). It has now completed its sixth year and from its report we learn that on February 28th., 1915, on which date its business year closed, the members were 731, with 6 farms insured, of a total area of 310,095 hectares, of which 135,831 ha. were cultivated with herbaceous plants, sometimes together with vines and olives and fruit trees, 2,345 ha. were devoted to the special cultivation of vines and olive trees, 122,230 ha. were covered with forests or coppices and 49,689 ha. were uncultivated grazing ground.

The Mutual Society of Florence insures all persons engaged in work on farms, whether permanently or temporarily, and since almost everywhere the farms are worked on the system of metayage, not only are all the members of the metayers' families insured, but also temporary and day labourers, workmen employed on buildings in the forests, threshing etc.

The whole number of the persons on these farms was calculated on February 28th., 1915, at 119,938, of whom 44,455 were men and boys over 13 years of age, 34,931 adult women, 32,192 men and women over 65 years of age and 8,360 children under 13 years of age, though the latter were not insured. We may add 6,800 temporary employees some of whom are employees for whom insurance is compulsory, that is to say masons, woodcutters, and labourers working machine threshers, who are also registered with the Mutual Society.

The annual premium is fixed in accordance with the area of the farms, account being taken of the various crops, the proportion of the farm population to the area, the special risks in connection with some kinds of cultivation or transformation of produce, the employment of machinery etc.

The complex and variable conditions of farming in the various Tuscan provinces has made it necessary to establish rates of premiums according to area, varying from 0.30 frs. to 1.50 frs. for land cultivated with herbaceous crops or with these and ligneous crops together, whilst in the case of

(1) See *Agricoltura Toscana*, Florence, n° 9, 9. May 16th., 1915.

forest and copse woods, the premiums are fixed at 0.40 frs. or 0.20 frs. per ha.

The premiums were reduced 20 % in 1914, as the previous years had shown that such a reduction could be allowed without the solvency of the Mutual Society being endangered. The society has, moreover, arranged to form a reserve fund, by means of an entrance fee of 0.50 fr. per ha. of cultivated land and 0.05 fr. per ha. of forest or pasture land and the interest on the amounts deposited. At the end of the sixth working year, on February 28th., 1915, this reserve fund amounted to 104,439.90 frs., which, with the addition of the special reserve fund of 10,000 frs. formed by grants from the Savings Banks and the Tuscan Agrarian Comizi, makes a total of 114,439.90 frs.

The Mutual Society of Florence gives compensations in case of death or permanent total or partial disablement in every case, whether insurance was compulsory or not. Compensations for temporary disablement are only given to victims compulsorily insured. However, in the case of serious consequences due to accidents to labourers not compulsorily insured, giving occasion to expenses in connection with hospital and medical attendance or to prolonged temporary disablement, the society grants suitable assistance, in its sixth year amounting in all to more than 5,000 frs.

The claims paid for deaths amounted to 2,000 frs. for men and 1,500 frs. for women; those for permanent total disablement to 2,400 frs. for men and 1,800 frs. for women. Finally, in case of permanent partial disablement, claims were paid in proportion to the reduced working capacity.

These compensations were paid in the case of accidents to labourers compulsorily insured, while in the cases contemplated in the law of January 31st., 1904, on accidents in work, compensation was given at the rate of six times the annual wages in the case of total permanent disablement, and five times the wages in case of death.

In six years the number of accidents reported to the society in the various months was as follows:

Months	From 1909 to 1915
March . . . . .	310
April . . . . .	325
May . . . . .	298
June . . . . .	344
July . . . . .	457
August . . . . .	356
September . . . . .	346
October . . . . .	362
November . . . . .	282
December . . . . .	359
January . . . . .	401
February . . . . .	346
Total . . . . .	4,186

The classification of the causes of the accidents is of considerable importance, since there exist almost no statistics of the kind; the figures given by the Mutual Society of Florence which we reproduce below, as it works, as above said, in a region in which the farms vary greatly in character, are therefore specially important. The following table shows the kinds of work in which accidents occur.

Occasion of Accidents	From 1909 to 1915
Woodcutting . . . . .	875
Falls from Carts, Carting . . . . .	387
Falls from Trees, Pruning . . . . .	349
Bricklaying . . . . .	372
Work in Cellars . . . . .	188
Herding Livestock . . . . .	269
Cutting Forage . . . . .	169
Falls Generally . . . . .	301
Ploughing, Clearing Land . . . . .	253
Reaping, Haymaking . . . . .	290
Various Agricultural Labour . . . . .	261
Threshing . . . . .	266
Quarrying Stone, Digging Earth . . . . .	64
Working with Presses, in Mills . . . . .	48
Carpentering . . . . .	53
Supervision, Watchmen's Work . . . . .	29
Miscellaneous Causes . . . . .	110
Total . . . . .	4,186

In the following table we classify, finally, the accidents according to their consequences:

Consequences of Accidents	From 1909 to 1915
Death . . . . .	51
Permanent Total Disablement . . . . .	1
Permanent Partial Disablement . . . . .	230
Temporary Disablement giving Claim to Compensation and Assistance . . . . .	1,680
Temporary Disablement giving no Claim to Compensation . . . . .	3,104
Accidents under Consideration . . . . .	120
Total . . . . .	4,186

The amount of claims paid for accidents between 1909 and 1914 was together 323,914.13 frs.

With regard to the Lombard Mutual Society (*Cassa Mutua Lombarda*), we shall only mention that the accidents for the working year 1914 were together 207, but only 183 have been finally dealt with. For 176 temporary compensation was given, amounting altogether to 3,919 frs.; in a case of death not giving claim to compensation a subsidy of 400 frs. was paid; in 6 cases of permanent partial disablement a total amount of 1,040 frs. was paid in compensation.

It was further ascertained that the victims of accidents were 30 children, 161 men and 16 women as follows:

	Number
Between the age of 18 and 20 years . . . . .	17
"          "      21 " 30 " . . . . .	38
"          "      31 " 45 " . . . . .	49
"          "      46 " 60 " . . . . .	46
"          "      61 " 65 " . . . . .	7
Over 65 years of age . . . . .	7
Age not stated . . . . .	13
	-----
	177
In addition, 30 children between 12 and 14 years of age. . . . .	30
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Total . . . . .	207

The accidents occurred at various seasons, but were most frequent in the months of intensest labour, and in those in which special work had to be done, for example, in silkworm rearing, which gave rise in May and June to the greatest number of accidents among women.

We think it well also in the case of this society to reproduce the classification that has been made of the causes of the accidents.



	Number
Falls from Carts and Haystacks . . . . .	56
Herdin <sup>g</sup> Livestock . . . . .	37
Carting Produce . . . . .	25
Haymaking . . . . .	14
Wounds from Cutting Implements. . . . .	13
Woodcutting . . . . .	12
Silkworm Rearing . . . . .	9
Mowing . . . . .	7
Punctures Received in Various Kinds of Work . . . . .	6
Lopping Trees. . . . .	4
Pruning . . . . .	4
Threshing . . . . .	4
Working with Various Machines . . . . .	2
Vintaging and Working in Cellars . . . . .	2
Various Agricultural Work . . . . .	12
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From this table of the causes of accidents we find, in accordance with the expectations of the experienced, that the most serious and ordinary agricultural risks do not occur in the use of machines, but in the speed work involved in the very nature of agriculture, and they are injuries caused by farm livestock, or due to falls, especially from haystacks and carts, occupations apparently not at all dangerous, but in practice found to be so, such as the rearing of silk worms.

The injuries of which we have given the causes affected the following parts of the body:

Feet . . . . .	51
Hands . . . . .	46
Trunk . . . . .	38
Legs . . . . .	38
Arms . . . . .	16
Head . . . . .	8
Face . . . . .	6
Eyes . . . . .	3
Groin . . . . .	1
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Of the consequences of the accidents we have already spoken in connection with the claims for compensation, nor have we anything further to add.

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3. — THE NEW SAVINGS BANK BOOKS TO BEARER AT THE POSTAL SAVING BANKS. — In the number of this Bulletin for last January we noticed an important Decree No. 1,378 (1) of December 20th., 1914, in which the Italian Government, with a view to the further encouragement of thrift by making operations of deposit and withdrawal easier and more expeditious, instituted books to bearer at the postal savings banks. The system of savings bank books, which the principal post offices of the Kingdom and Colonies are authorized to issue, came into force on the first of July. It is regulated according to the provisions of the Decree No. 763 (2) of July 16th., 1915, the principal of which we shall summarise here.

*Deposits:* Deposits may in the first place be made (a) by means of money; (b) or matured coupons of the Government debt to bearer or order. A deposit may be made of less than 1 franc or more than 6,000 frs. Amounts in deposit in excess of 6,000 frs. bear no interest. On the occasion of the first deposit a savings book to bearer is issued to the depositor free of charge, in which receipt is given with note of the amount paid. It is the power of the depositor to indicate the name and address of the person to whom the book is to be made out. The office will then see that these particulars are entered in the book. Every deposit is forwarded to the Head Office by a special money order. The Head Office credits the amount of the various orders to the different books.

*Withdrawals:* The owner of a book to bearer may demand payment of all or part of the credit entered in the book. Usually not less than 1 franc may be withdrawn, except in the case of interest matured or settled out of accounts. Any sum may be withdrawn at sight. In case of withdrawal, when the book has been issued by an office other than that in which payment for the book is made, the head office must always verify the credit.

This verification may be arranged for by telegram at the cost of the office concerned. When there are disagreements between the entries in the books and the entries at the office, or other irregularities that may arouse suspicion of alteration or fraud, the repayments are suspended, as also in the case of want of funds. But the suspension, as a rule, may not be prolonged beyond the period required for correcting the book or obtaining necessary funds.

*Interest:* The interest paid on the deposits is fixed each year (3) or twice a year, as the conditions of the market require, by Decree of the Treasurer in consultation with the Ministers of Agriculture, Industry and Com-

(1) This Decree was later amended by another, No. 533 of April 1st., 1915.

(2) See *Gazzetta Ufficiale del Regno d'Italia*, Rome, No. 153, June 18th., 1915.

(3) In the present year the rate is fixed at 2.52 % free of income tax.

merce and Posts and Telegraphs and is published in the Official Gazette and posted at the office windows of the post office.

The interest begins from the fortnight after deposit and for amounts withdrawn ceases from the first day of the fortnight in which the amount is withdrawn. When the rate of interest is changed, the new rate is charged on the remaining credit and on future amounts deposited or withdrawn.

The interest for each year is added to the capital in the book bears interest itself from the first of January following.

Finally there is an important article providing that the book is distrainable, nor may it be made subject to a lien. Nor is opposition to withdrawal allowed. Distraint is only allowed when ordered by a judgment of the criminal court.

## Part III: Credit

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### COSTA-RICA.

#### THE INFLUENCE OF THE EUROPEAN WAR ON PRODUCTION AND CREDIT IN COSTA-RICA.

##### OFFICIAL SOURCES:

DECRETO N° 15: CREA UNA INSTITUCIÓN DE CRÉDITO EMISORA CON EL NOMBRE DE BANCO INTERNACIONAL DE COSTA RICA, QUE SERÁ ADMINISTRADO POR PARTICULARES BAJO LA VIGILANCIA INMEDIATA DEL PODER EJECUTIVO. (*Decree No. 15 establishing a Bank of Credit and Issue to be known as the International Bank of Costa-Rica, the management of which is to be entrusted to private persons under the immediate supervision of the Executive Power*). *La Gaceta*, 2nd. half-year, No. 86, San José, October 10th., 1914.

REGLAMENTO INTERIOR DEL BANCO INTERNACIONAL DE COSTA RICA. (*Internal Regulations for the International Bank of Costa-Rica*). *La Gaceta*, 2nd. half-year, No. 105, San José, November 3rd., 1914.

DECRETO N° 32 SOBRE ORGANIZACIÓN DE JUNTAS DE CRÉDITO AGRÍCOLA. (*Decree No. 32 on the organisation of agricultural credit boards*). *La Gaceta*, 2nd. half-year, No. 153. San José, December 31st., 1914.

##### § 1. INTRODUCTION.

When we consider how great have been the injuries inflicted by the European war on neutral countries endowed with a solid economic organisation, we shall readily understand the importance of the disturbances caused thereby in countries such as the Republics of Central America, still in the initial stage of their economic and financial development, and which have as yet only availed themselves of a small portion of their natural resources.

Of these Republics one of those most severely affected by the European crisis has undoubtedly been Costa-Rica. The main source of wealth of this preeminently agricultural country consists in the cultivation and ex-

portation of bananas and coffee (1) which, as shown by the statistical returns, account for nearly 80 per cent. of the total value of its exports.

The almost complete closing of the markets of those belligerent countries which absorbed approximately 50 per cent. of the exports of Costa-Rica, and the commercial stagnation and reduced consumption of these products in other countries, naturally created a most difficult situation for the agricultural interests of Costa-Rica, and consequently for the whole economic status of the country which is based thereon.

It is true that the market of the United States, Costa-Rica's largest customer, still remained open, but the prices offered by American importers spelt ruin for the farmers; and this will be readily understood when we bear in mind the wide-spread disturbance of trade, the great rise in freight charges, the high rates of maritime insurance, etc.

The country was therefore compelled to rely exclusively on its own resources to save it from economic disaster. Its first need was that of capital so as to allow the producers to store their crops instead of being compelled to sell them at ridiculously low prices, when indeed they could find any purchaser at all, given their pressing needs, their liabilities, and the difficulties they had to overcome. And here it is well to remember that the country is passing through a period of evolution in the matter of the exploitation of its natural resources, and that under these circumstances agriculture has to rely for support on credit, therefore agricultural savings may be said to be non-existent as a factor in national economy.

On the outbreak of the European war the credit banks reduced their business considerably, demanding a very high rate of interest for the few loans they were willing to negotiate. As it was no longer possible to rely on the assistance of the banks, Government intervention became necessary.

But as the revenue derived from customs duties is the main resource of Costa-Rica, and imports having been greatly reduced as a result of the perturbed economic conditions the world over, the government had to face a budget the equilibrium of which was gravely compromised and was therefore without the financial resources required to ward off the serious crisis which threatened agriculture and the country in general. It is evident that the problem was a most difficult one, and one which the public authorities had to deal with without delay by adopting the measures which we shall now describe.

## § 2. GOVERNMENT PROPOSALS TO MEET THE FINANCIAL CRISIS.

As soon as the European war broke out the Government realised that it would lead to a nation-wide financial and economic crisis.

It therefore undertook without delay the study of the problem with a view to its rapid solution.

(1) See the number of this Bulletin for December, 1912, p. 116.

The brief exposé of the situation given above shows that the most urgent need was to obtain money, with a view to supplying the requisite funds to agricultural and industrial concerns. Indeed, the absence of commercial paper on foreign countries threatened to lead to the exportation of gold, the reduction of banking operations, and the withdrawal of a considerable proportion of private deposits from the banks, phenomena due to the uncertainty of the situation and which would lead to a heavy loss to the monetary circulation.

The government, desirous of solving the difficulty with the assistance of the financial institutions of the country, took the necessary steps to come to an agreement with the banks of issue. (1). In the course of these negotiations the Executive submitted three proposals with a view to the banks supplying the requisite funds.

The first proposal called on the banks to unite their resources by amalgamating into one institution with government support. It contemplated a unification of the monetary circulation, and granted important concessions to the banks of issue in exchange for which they were to supply agriculturists, industrial concerns, and the government itself with the requisite funds. The second proposal simply called on the banks to issue bank-notes to an amount of three million colons (2) under their own supervision and control; the said sum to be equally divided, on fixed conditions as to interest and repayment, between the government and the agricultural and industrial classes. The third and last proposal called for a loan to be made by the banks to the government for the sum of 2,000,000 colons at 3 per cent., which sum the banks were to obtain by means of an emergency issue to be made on the security of government bonds. The banks were to undertake to organise a service of loans on behalf of the rural and industrial classes at a maximum rate of interest of 10 per cent., and to prolong the term of loans already in course until one year after the ratification of peace in Europe. On its side, the Government undertook that the notes issued by the Bank should not be convertible before the same date, and to enact a moratorium for all private liabilities for the same period, in those cases in which creditors refused to accept bank notes in payment of debts.

As we see, these three proposals sought to solve the problem without having recourse to measures which might adversely affect the interests of the banks. These latter, however, considered that the proposals were not sufficiently advantageous and rejected them, whilst making counter-proposals of their own which the Government did not see fit to accept.

As the negotiations entered into with a view to securing the support of the banks for the proposed issue of notes were unsuccessful, the Government decided in favour of a solution which, in a different form, fully guarantees this issue which was absolutely necessary in the interests of the

(1) There are four banks of issue in Costa-Rica: the Bank of Costa-Rica, and Anglo-Costa-Rican Bank, the Commercial Bank and the Mercantile Bank.

(2) 1 colon = Francs 2.41.

country. This solution is based on the foundation of the International Bank, established for this purpose.

In founding this Bank the Government aimed at preserving agriculture, the one source of national wealth, from all possible injuries from whatsoever cause. This consideration points to the line of conduct laid down for the bank in its dealings with rural interests. On the other hand, this special bank of issue, established to meet the needs of the moment, will in no way adversely affect the interests of the banks already in existence.

With this end in view the new bank will only undertake business which shall be acceptable to its directorate, but which other banks have refused. Thus the amount of business done by the new bank will be determined by that transacted by the old established ones, and consequently if these latter suffice for the needs of the country the new bank will do no business, and, therefore, will issue no notes. The emergency issue will therefore depend on the action of the other banks.

### § 3. AIMS AND ORGANISATION OF THE INTERNATIONAL BANK OF COSTA-RICA.

This bank was established by a decree of October 10th., 1914 and the regulations regarding it were published on the 29th. of the same month. It is a State Bank of Credit and Issue, managed by private parties under the supervision of the executive authorities.

The bank is authorised to issue notes for a value of 4 million colons, guaranteed by Treasury bonds. Loans may be granted to the government for an amount not to exceed half the above sum, so as to meet the liabilities and needs of the state. The other two millions, the issue of which is authorised, will be at the service of the public as an emergency fund, and will be more especially used to support and encourage agriculture and other industries during the present crisis.

By this means the exporter of coffee, whose credit has been suspended or seriously interfered with as a result of the European conflict, can obtain from the bank the sums he needs to meet the cost of cultivating his estates and to make the necessary advances to his planters, on condition that he can prove that under normal conditions he could dispose of credit for a similar amount, that he is in the condition above described, and that the value of his growing crops and of the coffee purchased is sufficient to cover the loan he asks for.

The executive authorities are entitled to draw sums up to 200,000 colons, to be used for granting rural credit, this sum to be deducted from the amount set aside for loans to private persons.

Applications for loans from private persons will be dealt with as follows: The applicant will send in his application, notifying the degree of urgency for the loan, its amount, the conditions on which he wishes to borrow, and the security he offers. The Board of Directors of the International Bank will examine the application to see if it complies with the special nature of

the business it transacts, and if this is so, and if the security offered and the conditions proposed are acceptable, the application will be transmitted through the agency of the Director, together with the report of the Board, to the administrators of the four banks of issue existing in the country, with a view to their granting the loan if they see fit. If they do not agree to do so within a period of three days the International Bank of Costa-Rica will make the loan paying it in notes issued by itself.

In the case of small loans, the maximum and minimum amount of which will be settled by the Board of Directors, it will not be necessary to refer the application to the other banks for their right of option, and the said small loans may be granted on the simple approval of the Director.

The life of the loans will be determined by the Board of Directors. The rate of interest may not exceed 10 per cent. per annum. The interest on same, after deducting therefrom the cost of installation and administration and of the credits to be repaid, will be used to form a special fund to be employed in importing gold into the country.

No individual, corporation, or firm may obtain loans from the bank for sums exceeding 20,000 colons.

The notes issued by the International Bank of Costa-Rica will be accepted in all the bureaux of the administration of finance, and will be cancelled in the same way as other bank notes now in circulation. Their conversion will begin one year after the date of the ratification of the European peace, should the executive powers deem this to be desirable.

The International Bank will be an institution of a transitory nature, and will last only so long as the effects of the present economic and financial crisis, to meet which it was established.

#### § 4. THE AGRICULTURAL CREDIT BOARDS.

After securing the requisite resources by the special issue of bank notes as described above, and after satisfying by means of direct loans the requirements of the large producers and of exporters in general, more especially of coffee planters and exporters, it was necessary to provide a subsidiary measure by which the financial aid of the State might be extended to the class of small land-owners, growers of cereals and other food-stuffs required by the country. Such a measure had already been applied in the rural districts of Costa-Rica before the present crisis; and since the crisis the facilities afforded to this class of farmers have been increased. These small farmers when compelled to seek for credit to meet their liabilities were obliged, either as a result of commercial stagnation and the impossibility of obtaining assistance from the banks which refused all credit, or because they lived at great distances from banks which transact such business, to have recourse to professional money-lenders on ruinous terms.

It was therefore necessary that the money which was to tide the agricultural population through this terrible crisis and save it from the curse of



usury, should be spread throughout the country, so that small land-owners in all sections might avail themselves thereof.

For this purpose, and in order to complete the task it had undertaken by establishing the International Bank of Costa-Rica, the government by a decree of December 30th., 1914, established a system of Agricultural Credit Boards.

This decree authorises the International Bank to establish and organise these boards. For this purpose it can avail itself of the sum of 200,000 colons, of which mention was made when describing the organisation of the bank (1). These boards will be established preferably in those districts in which their financial assistance is likely to be of the greatest use in view of the nature of the rural population and of the crops it raises and of the inadequacy of its resources for carrying out the necessary farming operations.

The agricultural credit boards will consist of not less than three and not more than five members, who must be farmers of notoriously good conduct, each owning freehold property worth at least 2,000 colons. The Board will elect from among its members a chairman, secretary, and treasurer. The International Bank will assign to each Board the sum which it shall judge proper in view of the ends sought. This will be done by opening a current account for that amount, which the Board can make use of by drawing cheques on the International Bank. The Boards, in their turn, will distribute the sums thus placed at their disposal in the form of loans to the inhabitants of the district. The amount of the loan granted to any individual may not exceed 250 colons. These loans are to be used exclusively in cultivating and harvesting cereals, vegetables, and other products of prime necessity, with the exception of coffee.

Applications to the Boards for loans must state the sum required, the purpose for which it will be used, the conditions of repayment and the security offered. The applications will be examined at a general meeting of the Board which will grant the same if in accordance with the conditions regulating the loans, if the security offered is adequate, and if the duration of the loan is not to exceed one year.

The loans granted by the Boards are repayable by instalments covering both capital and interest. They will be called in in default of payment of one of said instalments.

All business transacted by these Boards in connection with their duties will be exempt from stamp-duty; moreover, the certificates delivered at the request of the chairmen of the Boards by the land-estate registries, and the cancelling of mortgages given in security of the loans which the Board may grant, will also be exempt from registration fees.

The Boards will pay to the Bank 6 per cent. per annum as interest on the sums placed at their service, and they will demand of borrowers interest not to exceed 12 per cent. per annum on the loans they grant.

(1) See above, § 3.

Lastly the decree enacts that the members of these Boards shall be collectively liable to the Bank for the sums which they draw under its provisions. On the other hand, these same members, as compensation for their services, will be entitled to the net profits accruing from the transactions, after deducting the 6 per cent. interest due to the Bank, which will divide the profits in equal or proportionate shares.

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The brief account given above shows that the Government of the Republic of Costa-Rica has sought in the solution it has given to the industrial and agricultural crisis arising from the European war, to disturb as little as possible the financial equilibrium of the country. With this end in view, when it found itself unable to secure the assistance of the banks of issue, it ranged matters so that the emergency issue of the International Bank will serve solely to counterbalance the falling off in the loan business transacted by the other banks. This shows a great deal of prudence on the part of those who are entrusted with the administration of the country, even in moments of great difficulty.

But the government deserves praise not only for its prudence but also for the energy it has displayed in averting a paralysis of the national industries, which are essentially agricultural.

By its prompt action it has avoided the ruin of the country, granting financial assistance in the form of direct loans to large land-owners and large exporters, and providing loans for small farmers through the Agricultural Credit Boards.

It is therefore to be hoped that the steps taken by the government authorities in supplying the farmers with the capital they require to carry on their undertakings, will make it possible for the agricultural industries of Costa-Rica to develop progressively, and thus promote the full utilisation of the fertile soil of the Republic.

## FRANCE.

### ORGANISATION AND WORK OF THE REAL ESTATE CREDIT SOCIÉTIES. (*Conclusion*).

#### RESULTS OBTAINED.

The Real Estate Credit Societies, as we have seen at first made very slow progress and though the earliest was founded on October 20th, 1908, yet it was not till 1912 that the movement in this direction became decidedly marked. In that year alone 13 societies were legally recognised. In every month of 1913 the establishment of one or more societies took place, recognition was granted in January to four societies, in April to six, in May to three, in June to seven, in July to seven, in August to three, in September to five, and in October to two. From January 1st. to October 31st., 1913, thirty-seven societies received legal recognition.

According to M. Bernard d'Avout, who has made a special study of the subject, and to whom we are greatly indebted for the material of this article, at the beginning of December, 1913, the total number of real estate credit societies was 61 against 24 in December, 1912.

Other societies are in process of formation and some of these have already raised the minimum amount of capital required by the law. These are the societies of Pontoise, Valence and Vieux Condé; while others, namely those of Decazeville, Montbard, Toulon, Troyes and Versailles, have sent requests for recognition to the Ministerial Department. M. Bernard d'Avout mentions societies in contemplation at Abbeville, Algiers, Avignon, Béthune, Carcassonne, Clermont-Ferrand, Evreux, Montpellier, Moulin, Nantes, Orange, Rennes, Rodez and Saint-Dié.

These 61 societies have head offices in 58 localities. Three cities have two societies each; these are Paris with the central society and the society of Ile-de-France, Nancy with the societies for Lorraine and the department of Meurthe-et-Moselle, and Limoges with the society of Haute Vienne and that called "Le Nid".

Such societies are beginning to spread throughout the whole country; we meet them in the north in Pas-de-Calais and Nord, in the east at Longwy, Nancy and Troyes, in the south at Marseilles and Perpignan, in the south east at Grenoble, in the west at Bordeaux, in the centre at St. Etienne and Lyons, and also in Normandy. There are many more of these societies in the north and east than in the south, and all belong to 35 departments. The department which contains the greatest number is Nord, with ten, of which four are in the arrondissement of Valenciennes, namely Valenciennes, Blanc-Misseron, Condé, and Saint-Armand-les-Eaux, and one in each of the other arrondissements. Then follows Meurthe-et-Moselle with four societies of which two are at Nancy, one at Conflans-en-Jarnisy, and one at Longwy.

next come Seine-Inférieure, Pas-de-Calais, Seine and Isère, each with three societies, and Aisne, Haute-Vienne, Basses-Pyrénées, Seine-et-Marne, Seine-Oise and Loire, each with two societies. In each of twenty-three other departments there is only one, and fifty-one departments as yet have none.

On December 31st., 1912 the total amount of credits opened to 17 real estate credit societies was 6,919,500 francs, of which sum 3,371,000 francs have been drawn.

From January 1st., to November 24th., 1913 the advances agreed by the Commission for loans to the real estate credit societies amounted to 11,919,500 francs.

Forty-seven societies received loans.

The total amount of the credits opened to these societies since their first establishment is 18,839,000 francs, giving an average of 400,830 frs. per society. Of this sum 9,300,000 francs have been drawn.

The share capital of 61 societies amounts to 11,792,000 frs. The society which possesses the largest capital is that of Lille, founded March 29th., 1911, with a capital of 600,000 fr., which has now been raised to 1,100,000 frs. The society for the region of Saint Denis at Epinay (Seine) has a capital of 1,000,000. frs. But, as a general rule, the societies avail themselves of the facilities which the law allows them and are founded with the minimum amount of capital; the result of this is that of 37 societies which were recognised in 1913, twenty-six have a capital of 100,000 frs.

The society of Lille is not the only one that has increased its capital, for that of the Society of the Ile-de-France has been raised from 215,000 frs. to 252,000 frs. The society of Marseilles, founded in February, 1913, with a capital of 100,000 frs. has now a capital of 125,000 frs. and contemplates soon increasing this sum. The Central Society has more than doubled its capital, which has been increased from 200,000 frs. to 500,000 frs. and the same has happened at Perpignan. On January 1st., 1914, the society of Avesnes at Maubeuge increased its capital from 171,500 frs. to 300,000 frs., of which 101,250 frs. was paid up.

M. Bernard d'Avout has collected as numerous and accurate particulars as possible of 41 societies recognised on July 1st., 1913. On November 15th., 1913, these societies had received 1,970 loans, amounting to a total of 11,953,680 frs., giving an average of 6,067 frs. per loan; 595 loans in addition were about to be made for a total amount of 3,027,218 frs.

In the two following tables M. Bernard d'Avout shows the condition of 61 societies, and in the clearest manner points out the increase in the credit for the building of cheap dwelling-houses. The first and more detailed table, besides giving interesting data in regard to the history of each society, shows the share capital, the number and amount of loans effected from the time of formation and those in course of being granted, the assistance received from the departments, asylums, savings banks and other societies, and finally the object of the loans. This table relates to the 45 societies legally recognised from the promulgation of the law of April 10th., 1908 up to July 1st., 1913. Their business is only shown up to November 15th., 1913.

The second table enumerates the societies legally recognised since July

1st., 1913 up to December 1st., of the same year, a period too short to furnish any details of interest in connection with their business operations.

*Real Estate Credit Societies*  
Transactions

Numerical Order	Head Office	Name of Society	Share Capital (in francs)	Date of Legal Recognition	Loans Estimated Furnished	
					Number	Amount (in francs)
1	Arras . . .	Real Estate Credit Society of Pas-de-Calais	236,800	24 Dec. 1908	223	997,42
2	Le Havre (1)	Havre Real Estate Credit Society . . .	260,000	29 Jan. 1909	130	580,71
3	Dieppe . . .	Real Estate Credit Society of the Arrondissement of Dieppe	225,500	20 Jan. 1910		not shown
4	Belfort (2)	Society for the Encouragement of Cheap Dwelling Houses . .	230,000	13 Aug. 1910	88	542,00
5	Pau . . .	Real Estate Credit Society of Pau . .	200,000	25 May 1911	23	145,00
6	Paris (3) . .	Central Real Estate Credit Society . . .	500,000	8 Feb. 1911	184	1,479,00
7	Nancy (4) . .	Real Estate Credit Society of Meurthe-et-Moselle . . . . .	200,000	11 April 1911	2	not shown
8	Lille . . . .	Real Estate Credit Society of the Arrondissement . . . . .	1,100,000	18 April 1911	651	4,299,82
9	Bordeaux . .	Real Estate Credit Society of the Gironde	204,000	10 July 1911		not shown
10	Chaumont . .	Real Estate Credit Society of Haute-Marne	200,000	24 July 1911	31	168,80
11	Blanc-Misseron	Real Estate Credit Society of the Sambre	500,000	4 Aug. 1911		The Society has
12	Paris (5) . .	Real Estate Credit Society of Ile-de-France	252,000	11 April 1912	178	1,161,00
		Carried Forward . . .	4,108,300		1,510	9,284,72

(1) 28 loans for the purchase of gardens (division of a forest into lots). — 2 For the directly or through the intervention of the societies for cheap dwelling-houses. — 3 The loan is to be made within 20 years, at farthest within 55. The State has opened credits to the

The amount of their share capital, the dates of their foundation and recognition are the only particulars M. d'Avout could obtain.

ended up to July 1st., 1914.

per 15th., 1913.

Amount (in francs)	Assistance Received from the			Object of Loans
	Department or Town	Savings Bank	Asylums or Charitable Institutions	
45,000	Guaranteed by the Department.	Has bought some shares on its own account.	nothing	For large groups of houses.
shown	No support asked for			Le Havre and immediate suburbs.
shown	Capital subscribed only by private individuals			Town or Country.
not shown	No support asked for			For industrial centres.
31,000	Supported exclusively by private initiative			Suburb of Pau.
573,000	Guaranteed by the Department.	Has subscribed part of the capital	nothing	Seine and Seine-et-Oise.
not shown	nothing	nothing	Assisted by Asylums.	The Town.
225,000	Guaranteed by the town and depart. and capital increased by 400,000.	Roubaix: 50,000	nothing	The town, suburbs and neighbourhood.
shown	nothing	Libourne: 10,000	Charitable Institution 6,000.	not shown.
shown	nothing	nothing	nothing	26 loans for the Town, 5 for the Country.
since	nothing	nothing	nothing	
388,910	Guaranteed by the department of Seine.	nothing	Railway and Metropolitan Company.	Building of houses in Seine, Seine-et-Oise and Seine-et-Marne.
262,940				

— 100 for building houses. — (2) The loans are made to private individuals, whether for November 20th., 1913. — (4) Society still in course of organization. — (5) The repayment 20 francs.

*Real Estate Credit Societies Legally**Transactions*

Numerical Order	Head Office	Name of Society	Share Capital (in francs)	Date of Legal Recognition	Loans Effected & Foundation	
					Number	Amount (in francs)
		Brought Forward .	4,108,300		1,510	9,284,739
13	Besançon . .	Real Estate Credit and small Holdings Encouragement Society	200,000	17 May 1912	18	about 96,000
14	Saint-Omer (1)	Real Estate Credit Society of the Arrondissement.	125,000	3 June 1912	55	210,247
15	Dijon (2) . .	Real Estate Credit Society of the Arrondissement.	220,000	12 June 1912	48	226,113
16	St. Etienne .	Assistance for St. Etienne Dwelling Houses.	200,000	20 June 1912	20	134,341
17	Lyons . . . .	Lyons Real Estate Credit Society.	200,000	24 July 1912	33	209,691
18	Rouen (3) . .	Real Estate Credit Society of the Arrondissement.	140,000	29 July 1912	40	230,000
19	Charleville (4)	Real Estate Credit Society of Ardennes.	100,000	2 Sept. 1912	19	110,000
20	Saint Chamond (5)	Real Estate Credit Society of S. Chamond.	200,000	29 Oct. 1912	12	66,000
21	Perpignan . .	Real Estate Credit Society of Pyrénées orientales.	200,000	22 Nov. 1912	18	124,341
22	Coulommiers (6)	Real Estate Credit Society of the Arrondissement.	100,000	17 Dec. 1912	10	52,780
23	Amiens (7) . .	Real Estate Credit Society of Somme.	200,000	27 Dec. 1912	about 25	135,000
24	Maubeuge (8)	Real Estate Credit Society of the Arrondissement of Avesnes.	300,000	29 Jan. 1913	52	304,300
		Carried Forward . . .	6,293,000		1,860	11,182,211

(1) From September 4th., 1904 to May 2nd., 1912, 54 loans were granted at St. Omer to houses built. — (4) The principal shareholders require paid up shares, and the paid up capital's capital will soon be increased. — (7) Received on May 9th., 1913 a first credit of 400,000 fr. fr.

July 1st, 1913 (Continued).

per 15th, 1913.

Course Amount (francs)	Assistance Received from the			Object of Loans
	Department or Town	Savings Bank	Asylums or Charitable Institutions	
262,940				
54,000	nothing	33,000	33,000, asylums and 33,000, charit- able institution.	Besançon and Pontarlier.
shown	nothing	10,000	nothing	Town and Country.
12,000	nothing	50,000	20,000, hospital	33 loans for town, 15 for country places.
13,500	nothing	nothing	30,000, asylums	S. Etienne and suburb.
not shown	nothing	founded the Society and subscribed 93,000	nothing	Lyons and suburb.
not shown	Rouen: 25,000	nothing	nothing	Rouen and suburb.
shown	nothing	30,000	nothing	Charleville, Sedan and in- dustrial centres of the valley of the Meuse.
not shown	nothing	nothing	nothing	Building of private houses near workshops.
300,000	Department 10	380 shares of 100 shares of 100 fr. fr.	nothing	12 loans for Perpignan, 6 for the country.
shown	nothing	The Society is a branch of the Savings Bank.	nothing	All the houses are in the country.
shown	Guaranteed by the Department.	nothing	nothing	Not shown.
about 800,000	Guaranteed by the Department . .	Maubeuge 35,000	nothing	Workmen who build out- side towns.
1,447,440				

redit Society of Pas-de-Calais. — (2) Transactions concluded up to November 23rd. — (3) 35  
ed from the State a loan of 100,000 fr. The Society is not called upon to extend itself. — (6) The  
ceeds one million. — (8) The capital was raised from 171,500 fr. to 300,000 fr. on January 1st, 1913.



*Real Estate Credit Societies**Transaction*

Numerical Order	Head Office	Name of Society	Share Capital (in francs)	Date of Legal Recognition	Loans Effected Foundations	
					Number	Amount (in francs)
		Brought Forward .	6,293,000		1,860	11,182,219
25	Croissy (Seine-et-Oise) . .	Cheap Dwelling House Encouragement Society . . . . .	100,000	29 Nov. 1912	4	33,000
26	Dunkirk . . .	Real Estate Credit Society of the Arrondissement . . . . .	100,000	18 January 1913	8	59,600
27	Cacn . . . . .	Real Estate Credit Society of Calvados	200,000	29 January 1913	34	247,000
28	Blois (1) . . .	Small Holdings Encouragement Society	150,000	9 January 1913	12	111,454
29	Reims . . . . .	Real Estate Credit Society of the Arrondissement . . . . .	215,000	8 April 1913	7	48,816
30	Bayonne . . .	Bayonne Real Estate Credit Society . . .	100,000	3 April 1913	nothing	nothing
31	Marseilles . .	Marseilles Real Estate Credit Society . . .	125,000	5 April 1913	10	50,000
32	Grenoble . . .	Real Estate Credit Society of Grenoble, St. Marcellin and La Tour-du-Pin . .	200,000	3 April 1913	3	20,000
33	Angoulême (2).	Real Estate Credit Society of Charente.	100,000	17 April 1913	nothing	nothing
34	Epinay (Seine)	Real Estate Credit Society of S. Denis.	1,000,000	17 April 1913		not shown
		Carried Forward .	8,583,000		1,938	11,752,100

(1) The first advance from the Pension Society dated April 1st, 1914, was 50,000 francs in February, 1914.

ed up to July 1st., 1913. (Continued).

115th, 1913.

Course Amount francs)	Assistance Received from the			Object of Loans
	Department of Town	Savings Bank	Asylums or Charitable Institutions	
147,440				
66,000		not shown		The Society makes loans only to the heads of families interested.
41,803	Guaranteed by the Department.	nothing	nothing	In the Country.
87,000	100,000 fr. sub- scribed by the Department.	Subscriptions not solicited		Caen, not in the Country.
own	nothing	Took 10 shares and offered staff and premises.	nothing	To employes at Blois. The Society made a loan of 40,000 frs. to a co-oper- ative society.
7,600	nothing	50,000 fr. and pre- mises.	nothing	Real Estate at Rheims.
16,875	nothing	nothing	nothing	Not shown.
own	not solicited	20,000 fr.	not solicited	Marseilles.
70,000	are to be solicited	Took 50 shares of 500 frs. & lends premises.	nothing	For any thrifty Workman in Town or Country.
thing	nothing	nothing	nothing	Not shown.
own		not shown		Not shown.
136,718				

mission Society has granted another 90,000 francs. — (2) The Society only began lending in

*Real Estate Credit Societies*

## Transaction

Numerical Order	Head Office	Name of Society	Share Capital (in francs)	Date of Legal Recognition	Loans Effectuated Foundations	
					Number	Amount (in francs)
		Brought Forward .	8,583,000		1,938	11,752,100
35	Vienne . . .	Real Estate Credit Society	100,000	16 May 1913	nothing	nothing
36	Nancy (1) . .	Lorraine Real Estate Credit Society	100,000	27 May 1913	nothing	nothing
37	Nogent-sur-Seine . . .	Real Estate Credit Society	100,000	27 May 1913	3	15,100
38	Valenciennes .	Valenciennes Real Estate Credit Society	100,000	4 June 1913	8	40,000
39	Cambrai . . .	Cambrai Real Credit Society	100,000	4 June 1913	nothing	nothing
40	Longwy . . .	Real Estate Credit Society	100,000	4 June 1913		not shown
41	Sens (2) . . .	Real Estate Credit Society of the Arrondissement	100,000	4 June 1913	1	3,500
42	Lons-le-Saunier	Real Estate Credit Society of Jura	100,000	4 June 1913		not shown
43	Hazeubrouck .	Real Estate Credit Society of the Arrondissement	100,000	9 June 1913	nothing	nothing
44	Hirson . . .	Real Estate Credit Society of Aisne	200,000	18 June 1913	nothing	nothing
45	Douai (3) . . .	Real Estate Credit Society of Douai	300,000	1st July 1913	20	142,600
		Total . . .	9,980,300		1,970	11,953,600

(1) The Society will lend only to co-operative societies. — (2) The first transaction was amount of 187,500 francs. \*

up to July 1st., 1913 (Concluded).

per 15th., 1913.

Course Amount (francs)	Assistance Received from			Object of Loans
	Department or Town	Savings Bank	Asylums or Charitable Institutions	
36,718				
nothing	not solicited	20,000 fr.	5,000 fr. from charitable institu- tion.	For the Country.
nothing	nothing	5,000 fr. from the Luneville Sav- ings Bank.	nothing	The society will lend at 2 ½ % to affiliated co-operative societies, and to the Lorraine Union and at 3 ½ % to members of these societies.
21,000	nothing	Has taken 6,000 fr. worth of shares and lends pre- mises.	nothing	For the Town, to resist high rents.
70,000	nothing	Has taken 73 shares of 500 fr. and lends pre- mises.	nothing	Town and Country.
130,000	Guarantee not yet solicited.	20,000 fr.	2,000 frs. (charit- able institution) and 5,000 frs. co- operative soci- ety for cheap dwelling houses).	not shown.
town		not shown		not shown.
6,500	nothing	59,000 fr.	5,000 fr. (asylum of Sens) and 2,500 (charitable in- stitution).	3 at Sens, one in the Coun- try.
town		not solicited		not shown.
town		not shown		Chiefly in the Country.
not shown		not shown		not shown.
60,000	Guaranteed by the Department and soon to be so by the town.	not solicited		70 % for the Town.
927,218				

on October 9th., 1913. — (3) On October 2nd., 1913 the Department guaranteed the

*Societies Legally Recognised from July 1st. to December 1st., 1914.*

Numerical Order	Head Office	Name of Society	Share Capital (in francs)	Date of Foundation	Date of Recognition
46	Nevers . . . .	Real Estate Credit Society of Nevers . . . . .	100,000	15 Feb. 1913	1 July 19
47	St. Amand-les- Eaux (Nord)	Real Estate Credit Society of the two Cantons of S. A- mand . . . . .	100,000	31 May 1913	10 July 19
48	Saint-Quentin	Real Estate Credit Society of Vermandois . . . . .	100,000	14 March 1913	12 July 19
49	Alais . . . .	Real Estate Credit Society of the Arrondissement . . . .	109,000	19 June 1913	15 July 19
50	Orléans . . . .	"La Ruche Ouvrière" . . . .	100,000	15 Feb. 1913	24 July 10
51	Baubonne . . .	Real Estate Credit Society of the Arrondissement of Pon- toise . . . . .	100,000	20 May 1913	24 July 19
52	Condé (Nord)	Real Estate Credit Society of the Canton . . . . .	100,000	15 June 1913	8 Aug. 19
53	Limoges . . . .	Real Estate Credit Society of Haute-Vienne . . . . .	100,000	12 Aug. 1913	26 Aug. 19
54	Voiron . . . .	Voiron Real Estate Credit Society . . . . .	100,000	12 March 1913	30 Aug. 19
55	Comblans-Jarny (Meurthe-et- Moselle) . . .	Comblans Real Estate Credit Society . . . . .	200,000	1 Dec. 1912	8 Sept. 19
56	Le Mans . . . .	Sarthe Real Estate Credit Society . . . . .	100,000	19 July 1913	8 Sept. 19
57	Limoges . . . .	"Le Nid" . . . . .	100,000	21 March 1913	16 Sept. 19
58	Provins . . . .	Provins Real Estate Credit Society . . . . .	100,000	8 June 1913	16 Sept. 19
59	Chartres . . . .	Eure et Loir Real Estate Credit Society . . . . .	100,000	29 Aug. 1913	23 Sept. 19
60	Epinal . . . .	Vosges Real Estate Credit Society . . . . .	100,000	8 Sept. 1913	25 Oct. 19
61	Boulogne-sur- Mer . . . .	Real Estate Credit Society of the Arrondissement . . . .	200,000	16 Sept. 1913	25 Oct. 19
		Total . . . .	1,809,000		

From these tables it will be seen that one society — that of Lille —  
made more than 500 loans, that is 651; four societies have made from 10

500 (Arras, 232; Central Society, 184; Ile-de-France, 178; Havre, 130); three societies from 50 to 100 (Belfort, 88; Saint-Omer, 55; Maubeuge, 52); eight societies from 20 to 50, and sixteen from 1 to 20.

Four departments have guaranteed eight societies (1). Twenty-three savings-banks gave assistance, by providing a part of the capital in paid-up shares, or purchasing shares already issued, or lending their premises and staff.

Five asylums or hospitals and six charitable institutions also co-operated in this work.

We shall conclude this article with some facts illustrating the practical action of a typical real estate credit society. From those described by M. Bernard d'Avout we select that of Dijon, the particulars of which seem especially interesting.

Its establishment was decided upon in February, 1912. Its share capital, fixed at 220,000 francs, was promptly subscribed. Assistance was given by the Savings Bank and the Hospital, invited to help in the new work. The first subscribed 50,000 frs., the second 20,000 frs. Following this example, the Syndicate of Vine-growers of Dijon subscribed shares to an amount of 4,000 frs., the mutual aid society "Le Progrès" to that of 6,000 frs., the Syndicate of Accountants of Dijon to that of 4,000 frs. On the 30th of April the constituent meeting approved the rules and appointed officers.

On the 12th. of June following, the rules were approved by the Minister of Labour, but a delay arose in the signing of the contract for the loan from the National Pension Society, because the Deposit and Consignment Bank refused to accept the signature of the Regional Agricultural Credit Bank and it was not till November 13th., 1912, six months and a half after its constitution, that the society obtained its first loan, which amounted to 200,000 frs.

A borrower may address himself to the society for loans for six different purposes: 1. to buy a house already built; 2. to make repairs or improvements in any building; 3. to build a new house; 4. to buy land, a field or garden; 5. to pay off a mortgage; 6. to pay a co-heir his claim in the division of property. In all these cases, the loan is granted by the society at the uniform rate of 3  $\frac{1}{2}$  %.

The maximum sum lent at Dijon for building a private house varies, according to the number of rooms, from 3,157 frs. to 10,105 frs. In the case of building the society only opens a credit account, paying in proportion to the requirements, according to the progress of the work.

The first loan was made on December 17th., 1912.

From November 13th., 1912 to the end of February, 1913, 25 loans were granted, amounting in all to 106,653 fr. 55.

From the month of March to November 13th., 1913, 23 loans were granted, amounting to 122,469 fr. 50.

(1) Nord (4), Seine (2), Pas-de-Calais, Somme.

Thus, in one year 48 loans were granted, the amount of which including insurance premiums, was 226,123 fr. 05, that is, an average, 4,710 fr. per loan.

From that date till the end of January, 1914, four new loans were granted amounting to 8,097 fr. 55. The total number of loans made was therefore 52, and their amount was 234,220 fr. 60.

To allow of these transactions, a first sum of 200,000 francs was borrowed from the Pension Society; a second loan of 300,000 francs has been requested to enable the society to extend still further its lending power.

The total value of the landed property on which the loans are guaranteed is at present 300,000 frs.

It is interesting to examine more closely the object of the loans made by the society. They are granted throughout the "arrondissement" both in town and country, but the proportion is higher for the town, the country having been reached later or with more difficulty. The 52 loans are thus divided: 36 for Dijon, for 203,503 fr. 70, and 16 for the country for 30,716 fr. 85.

At Dijon the smallest loan made was to pay an old mortgage debt and amounted to 528 fr. 30; the largest, to build a new house, was 9,787 fr. 70. In the country the smallest was 528 fr. 95; and the largest, 4,663 fr. 50.

Of the 52 loans granted, two were to repay mortgage debts, three to buy land, one to enlarge a house, eighteen to buy houses already built, and twenty-eight to build new houses.

Nearly all the borrowers repay in monthly instalments. Ten only repay in quarterly, half yearly or yearly instalments.

The average age of the borrowers is 38.

The average period for repayments is 17 years.

The average amount of each monthly instalment is 31 fr. 40.

With regard to trade or profession, the borrowers are thus divided:

- 11 railway employees;
- 11 employees in shops or book-keepers;
- 9 agriculturists;
- 6 mechanics;
- 6 workmen (unskilled);
- 3 professors;
- 2 carpenters;
- 2 postal and telegraph employees;
- 1 superintendent of roads and bridges;
- 1 valet.

Repayments are regularly made; on the appointed day the borrowers themselves come to the office of the society bringing the amount of the instalments. Nothing could promise better for the future.

## Part IV: Miscellaneous

### AUSTRIA.

#### FARM TENANCY CONTRACTS IN SOUTHERN AUSTRIA.

(Continued)

##### § 4. DISTRICT OF TRENT (1).

Farm tenancy contracts are common in the whole district of Trent, that is to say in the Italian part of the Tyrol; however, even in the Tyrol proper the institution is beginning to take root, above all in the vineyard regions of the upper valley of the Adige, and in the bilingual districts or the German districts in which Italian colonies have been established. And even in the district of Trent these contracts are found only in vine growing regions, more precisely in the Adige valley from Salsomaggiore southwards, in Valsugana and in the valley of Arco and Riva; in the other parts of the district they are not found at all or but seldom, as small landed properties, on which meadows and grain are cultivated, prevail. The usual form of the contract in the Trent district is that of metayage; the term of the contract is generally a year, but really it is often prolonged considerably, for entire generations and generally only terminates with the sale of the holding. The tenant considers himself as invested with the farm and authorized to work it so long as he does so conscientiously. Up to a few years ago, tenants who were also proprietors were only found in the district of Mori and in Valsugana, but now the conditions of the tenants are greatly improved.

In most cases nothing special distinguishes metayage here from its ordinary form: revenue and expenditure are shared equally. But together with this system we find also simple contracts of lease for money;

(1) For statistical information in regard to the District of Trent, (geography, nature of soil, population, rural economy, emigration etc.), we refer our readers to the article: *The District of Trent, a Model Co-operative District*, in the number of this Bulletin for March, 1914, pp. 15-32.



in the neighbourhood of Rovereto it is usual for the annual lease to be 5 % of the value of the farm. Cases are, however, frequent in which the contract differs from the usual type of metayage, above all as regards the portion of the produce shared. The area of the holding in the neighbourhood of Trent is generally not more than from 3 to 4 ha. in the mountains and from 2 to 3 ha. in the plain. A group of holdings of this character is called a *maso*. Often the tenant receives in addition a tract of meadow land, either free or at not more than half the ordinary rent. If the portions of land constituting the *maso* are all in the plain, its area is generally greater, as the area of the *maso* is in proportion to the working capacity of the tenant's family. Besides tenancies consisting of entire *masi* there are those constituted by single holdings. The cultivation of the vine and silkworm (*filugello*) breeding are also here of decisive importance for the farm tenancy contracts. The tenant usually receives the house free; sometimes, however, he must pay rent, when the farm does not provide work for his family for the whole year and they have therefore to seek work elsewhere. This form of contract is found especially in the neighbourhood of Ala.

The livestock generally belongs to the tenant, who in this region is called *Manente* or *Marsador*. If it does not belong to him, the landlord makes provision, deducting half the tenant's profits for the purpose. The milk generally belongs to the tenant, though often it is shared. The tenant receives, as above said, a tract of meadow or grazing ground free for his livestock, as, for example, in the Brentanico plateau. But in quite the majority of cases the cattle belong entirely to the tenant, who, however, must consume all the hay for their maintenance and use all the manure on the farm. In many cases the landlords try to develop livestock improvement by means of loans without interest to the tenants, which is an advantage for the landlords themselves. All or half the chemical manure is provided by the landlord. In the case of silkworm breeding, there is complete metayage: though the landlord provides the tenant with the necessary buildings and the mulberry leaves; but if the latter have to be bought he pays for half the leaves and half the grain and receives half the proceeds and half the unused leaves.

In the vineyard districts of Valle Lagarina there is also pure metayage; here often the costs of the fight against phylloxera are shared equally. In other places, for example at Trent, the landlord receives two thirds of the yield of grapes, the tenant one third. In the neighbourhood of Mori, on the other hand, the landlord receives three and the tenant two fifths of the crop, but then the landlord is generally bound to provide all the wire and the wood, the cost of the sulphur etc. being charged against each party in due proportion. At Arco the landlord often receives six elevenths and the tenant five elevenths of the crop of grapes and olives.

In regard to the grain farms, we must say that if vines predominate and the soil is bad, the grain is left entirely to the tenant. In other cases there is equal division. There is equal division also in the case of fruit, tobacco and early vegetables. The tenant is always compensated for improvements, new plantations are almost always undertaken and completed

by the landlord. The tenant only contributes a part of the costs in case of a new clearing of the land.

A complete renovation of the crop is, however, only made at the landlord's expense, unless it has been requested by the tenant, in which case he also must bear part of the costs. The taxes, everywhere very heavy, are paid by the landlord, who also has to see to the repairs of the houses; in many cases, however, the tenant must assist in the work of repair, but usually he is paid for his services like any other labourer. The average wages are 2 crs. and board, in summer 4 crowns and board; women coming to the district from the Italian Friuli, and generally called "Ciode", are occupied on a large scale in farm work, as emigration has reduced the number of local labourers, and they are usually paid 1.6 cr. per day, receiving in addition board and lodging, but wages vary according to the contract, that is according as it is for season or for daily labour. The amount of 1.6 crowns with board and lodging must be considered as only paid for daily labour, although the wages given in this case may be even higher (1).

The term of the contract is generally from November 11th. of one year or November 11th. of the next year. For denunciation notice must have been received at latest on April 23rd., in some places even in March. In the district of Mori and even elsewhere contracts of metayage are passed for 5 and even 10 years, above all with the object of disposing the tenant to undertake works of improvement. There are no compulsory days of remunerated labour; where days of labour are stipulated for, payment is always given. But their number is, however, very small. The landlord divides the crop.

\* \* \*

After these statements of a general character, let us give a few particulars of the contracts we might call typical, because they have now a fixed form established by custom in the various localities in which they are in use. In the rich and fertile viticultural region of Mezzolombardo, Lezzocorona and Lavis, the metayage contracts usually contain the following provisions:

(a) *Landlord's Duties.* — The landlord must give the metayer  $\frac{2}{3}$  rds. of the sulphate of copper,  $\frac{2}{3}$  rds. of the sulphur,  $\frac{2}{3}$  rds. of the wood or repairing the old trellises,  $\frac{2}{3}$  rds. of the manure, which shall amount every year to such and such a number of cartloads of 24 quintals each. In case of new plantations, he must bear the cost of all the wood, wire and manure needed. The landlord must give the metayer one third of the re-

(1) As regards the emigration of women and children from the district of Belluno to that of Trent and to the Tyrol, see the reports of the enquiries published by the *Reale Commissariato dell'Emigrazione* of Rome in its *Bollettino mensile* and especially: *L'Emigrazione italiana nel Trentino* consolare di Innsbruck in no. 14, Year 1913, of the *Bollettino dell'Emigrazione*, and *Emigrazione delle donne e dei fanciulli nel Trentino e nel Tirolo Meridionale* in no. 13, Year 12 of the above *Bollettino*.

siduum after the grapes produced on the farm have been pressed; the grass vegetables and grain produced on the farm belong to the tenant.

(b) *Metayer's Duties*.—The metayer must work the holding without any remuneration in money, at the proper seasons, as an experienced farmer, conscientiously, according to the usage of the district, performing all the ordinary work required in the year in general and especially the following. He must dig the fields twice a year, in spring and in July or August, being forbidden to sow or plant, without the express permission of the landlord, any kind of plant whatever, under the vine trellises. The tenant must at his own expense transport the grapes belonging to the landlord wherever the latter shall order, not, however, beyond the communal area of Mezzolombardo. He shall pay one third of the cost of the sulphate of copper, the wood and the wire for the repairs of the old trellises and provide such and such a number of cartloads of manure of 24 quintals each. The residue of the pressed grapes shall be sold by common agreement. The landlord or his representative may visit the holding at any moment to ascertain if all the work is being regularly carried out; if it is not, the landlord shall order the metayer to do it, and, on his refusal, get it done at whom he pleases at the expense of the metayer. The expense of new installations or plantations on the holding shall be borne solely by the landlord. The metayer will, however, be bound to assist with his labor for the ordinary wages paid in the country according to the season. If the metayer fails in any one of the above duties, the landlord may declare the contract null and void.

Often, in the same region of Mezzolombardo, Mezzocorona and Lar, simple contracts of service are passed by which particular persons enter the service of the local landowners. In this case, in addition to the provisions of the contracts, the provisions for contracts contained in the *Regolamento per le persone di servizio* (Servants' Regulations) for the Tyrol, January 22nd., 1870, Bollettino Leggi Provinciali, No. 13, must be observed.

In the district of Rovereto the farm tenancy contract is not today as common as formerly and is gradually being substituted by simple contracts of lease. The contract also here assumes the form of metayage; it is extended to the tobacco farms, which, however, are decreasing in number more and more, because only the cultivation of tobacco for snuff is permitted, and there is a constantly smaller demand for snuff. The tenants are often small landowners and the crops are equally divided, unless the landlord provides the grain for sowing, the seed, etc. at his own expense. The tenant is considered co-proprietor of the soil and is always proprietor of the livestock.

In the neighbourhood of Ala pure metayage is usual; the tenant receives from 1 to 2 ha. of land for himself and a free house. The costs of purchase of sulphur, sulphate of copper, silkworm grain, mulberry leaves etc. are divided equally. The manure is charged against the tenant, who, instead, receives all the forage and straw. The grain for sowing is supplied by the landlord in the first year, but afterwards the price is deducted from the profits, which are then equally divided.

The rest of the produce is also similarly divided, except that in the case of the cocoons the division is made in money after sale by the landlord. The cattle belong entirely to the tenant. At Ala on the wheat reaped and wine made it is customary to take "tithe", which is indeed hardly fair and is only to be explained by historical tradition which has been continued up to the present. As a rule the tenants here have no land of their own. In the neighbouring district of Borghetto there are peasants who are tenants and have tenants of their own. At Avio, in the district of Ala, the whole crop is divided in the proportion of three fifths for the landlord and two fifths for the tenant. In this region wages are low, as emigration is not very important.

When we come to the western part of the district of Trent, especially to the vineyard region of the river Sarca, near Sarche, where the Prince-Bishop of Trent has large possessions, we find the tenant has no land of his own; for silkworm rearing the landlord provides half the grain and the leaves, he sells the cocoons and the proceeds are equally divided. Two thirds of the price of the wine belong to the landlord and one third to the tenant, as well as about five or six hectolitres. The hay, grain and fruit are divided equally. The cattle belong to the tenant. There are even cases in which the landlord entrusts a person with the cultivation of the farm and pays him a certain amount a month, for example, 60 crowns, giving him the house, the wine, milk, wood and vegetables he requires free of charge.

Before considering the two vinegrowing parts of this district, which we have still to deal with, Valsugana and the Lower Giudicarie in the neighbourhood of Arco and Riva, we think it advisable to give here the principal provisions in a model contract of lease passed in the Adige valley in the neighbourhood of Mori.

The lease is for..... years, counting from Michaelmas, 19... to September 29th., 19... When, however, the interest of the proprietor compels him to dispose of the buildings leased by sale or in any other way, he has the right to denounce the contract at any date on giving six months' notice: in this case, however, the tenant shall receive compensation in proportion for any special improvements, as well as for the standing crops, established according to the decision of two experts, appointed one by the landlord and the other by the tenant and in case of disagreement by a third expert chosen by..., against whose decision there shall be no appeal on the part of either of the persons interested; and similar arrangements shall be made in the case of an eventual reduction of lease on account of expropriation of part of the land. The tenants are expressly forbidden to sublet or enter into contracts with metayers for the working of the holdings without consent of the landlord, and, if they do, the landlord can denounce the contract immediately. The year's rent must be paid punctually, half at Midsummer (June 24th.) and half at Michaelmas (September 29th.). The leases are taken with their advantages and drawbacks (*a rose e spine*, according to the local expression) and the tenants accept all the risks indiscriminately of all accidents whether ordinary or extraordinary. The land-

lord pays all taxes, additional centimes and other public charges. The tenants must at their own expense every autumn prepare all those holes or ditches the landlord orders for the planting of mulberries, vines or other plants he considers it advisable to cultivate. New mulberry trees alone are supplied to the tenants free. In case, on account of phylloxera, it is necessary to graft vines on American stocks, the landlord shall contribute two thirds of the amount for the purchase of the rootlings and the tenant one third. In any other case, rootlings and cuttings must be provided by the tenants. Indeed it is their duty to prepare in advance suitable nurseries of the species the landlord shall indicate. Tenants who have chestnut trees suitable for poles on their holdings may not cut them before the trees are 8 years old. Tenants of forest land must conform to the provisions of the forestry law and the general conditions of their lease and the regulations in this contract.

The tenants must give special attention to the maintenance of the boundaries and if any landmark disappears they must advise the landlord immediately. The tenants must assist the landlord, without any remuneration, in any fresh erection of beacons to substitute those previously existing or to increase their number. The tenants must keep their holdings properly cultivated, tend the mulberry trees and vines according to the requirements of the plants and improve the holdings they lease more and more. The tenants cannot, without permission from the landlord, undertake any new work, renovation or special improvement not contemplated in their contract and, if they do, they shall have no right to compensation, but, at the desire of the landlord, must restore things to their original state and pay damages. The landlord retains the right of dissolving the tenancy at any moment without notice and of placing other tenants on the holding if he finds the premises are not being kept in due repair, and the tenants can claim no compensation.

If the tenants fail in the punctual payment of their rent or any other duty included in the regulations contained in this contract or the provision of the law, the landlord may declare the lease forfeited, although the period agreed on is not expired, without any notice being necessary; in that case the tenants will be further obliged to make good all damages and pay all expenses necessitated by their fault. The tenants by special contract submit themselves in any and every matter arising from, relating to or connected with the lease, including such as relate to the existence of the contract and the payment of wages, to the decision of the district court of Mori. If the tenant dies before expiration of the lease, the contract shall be binding on his heirs, but this only regards the tenant, not the landlord who may denounce contract. The tenants must see that the holding leased to them are properly cultivated.

These are the principal conditions of the model contract of lease in the district of Mori.

We have still to speak of the Valsugana and the Lower Giudicarie. Also in Valsugana, above all in the district of Borgo, we find the system of metayage, but the landlord alone pays the taxes and buys the



The farm tenancy contract as it exists in the district of Trent does not call for important modifications. It would perhaps be desirable that the contracts should always be for a longer period of time, that settlement between landlord and tenant should be made punctually every year and that certain local uses, for the rest restricted to a few places, such as, for example the "tithes" etc., should disappear. But even in these respects the progress made in recent years has been considerable and is in direct proportion to the improvement of the crops, the drainage and improvement of the soil, above all in the Adige valley, the development of traffic and the greater ease and increased rapidity of communication. Emigration also has had a great influence in the matter.

Certainly much still remains to be done to increase the economic possibilities of the country : but the means to attain that end are not to be sought in the direction of those facts that have been the object of this study, nor generally in the relations between landlords and tenants.

## GREAT BRITAIN AND IRELAND.

### 1. PROPOSALS FOR LAND REFORM IN SCOTLAND.

#### SOURCES:

SCOTTISH LAND, RURAL AND URBAN. THE REPORT OF THE SCOTTISH LAND ENQUIRY COMMITTEE. London, 1914. Hodder and Stoughton.

#### INTRODUCTION.

In the *Bulletin of Economic and Social Intelligence* for June, 1914, we gave an account of various proposals for land reform in England and Wales. These proposals emanated from various political parties, but the most important which we had occasion to review were those contained in a Report, entitled "The Land: Rural", drawn up by the so-called Land Enquiry Committee, an unofficial Committee composed solely of Liberals, who were invited by the then Chancellor of the Exchequer, Mr. D. Lloyd-George, to undertake an inquiry with a view to formulating a Liberal land policy.

This Report related only to England. For Scotland and Wales, where conditions differ considerably from those obtaining in England, special Committees were appointed, and we shall now review the Report on Scottish Land drawn up by the Scottish Committee under the Chairmanship of J. Ian Macpherson, M. P.

The Report is in two sections, Rural and Urban. We shall only examine the portion which refers to rural conditions.

The information was obtained by the issue of lists of questions and by special inquiries made amongst men of every class, irrespective of political parties.

Two main points have been kept in view in making the enquiry:

(1) Existing general economic conditions, directly conducing to under-production;

(2) Defects in the existing legal system which are injustices in themselves and directly conducive to under-development and under-production.



## § I. THE CASE FOR REFORM.

The Report sets forth the case for reform as follows :

In striking contrast with the Scottish urban phenomenon of the massing of a great population on a very narrow area, with all the accompanying evils attendant on excessive overcrowding, the depopulation of rural districts in Scotland has been proceeding at an alarming rate. In many parishes the population is now smaller than at any preceding census, largely as the result of emigration. Much land has gone out of cultivation and the improvements made upon it in the past are steadily disappearing. Great areas which might be better utilised for agricultural and pastoral purposes are at present utilised for sport.

The main cause of the great rural depopulation is the inability to get access to land, whilst powerful contributory causes making for non-development are the proprietors' inability to equip the land, and often the desire to hold it for social or sporting purposes.

The principal disabilities of the ordinary tenant farmer are liability to confiscation of his improvements, arbitrary increase of his rent (possibly as a result of his own improvements) and arbitrary eviction. Against these evils the Agricultural Holdings Acts offer no sufficient security.

The Ground Game Act fails entirely to give the farmer adequate protection against loss and damage by game, the preservation of which conduces to under-development of agricultural and pastoral land and is highly detrimental to afforestation. In the most extreme case of game preservation — the deer forest — enormous areas are kept without inhabitants and industry in order to secure the complete solitude most favourable to this form of sport.

Throughout Scotland there is a large unsatisfied demand for farms and holdings from capable and experienced men, and the active development of a small holdings policy would not only retain a larger rural population, but would also be a means of securing to farm-servants better conditions in their present employment. The Small Landholders Act (1911) embodies the principles on which further development should proceed. The demand for further and rapid action under this Act is very strong.

The whole case for the special provision of money out of the taxes to assist in the creation of small holdings is the paramount importance of increasing the number of small holders and stimulating the economic development of the land. This purpose is defeated in proportion as the money so provided is diverted for expensive litigation or extravagant claims of compensation.

That the trend of legislation has constantly modified the relation of landlord and tenant without compensating the former for the loss of unfair privileges and advantages, is shown in recent years by the Crofters Act of 1886, the Agricultural Holdings Act, the Town Planning Act

1909, etc. These precedents illustrate clearly the general principle that the State has always exercised the right of interfering with the relations between landlord and tenant in the public interest, in order to secure more just and equitable system of land tenure, without compensating the landlords for loss resulting from their deprivation of what was undoubtedly an unfair advantage which they previously enjoyed.

If this principle is accepted, then landlords have no right to claim compensation for the loss of the right to confiscate a tenant's improvements at the end of the lease, resulting from the grant of security of tenure, nor may they claim compensation for the loss of sporting value where land, hitherto devoted to sport, is taken over for a productive economic use.

It is clear that large areas of Scotland are under-developed in the sense that land is being allowed to go back to waste for lack of the application of labour and capital; that a great deal could be done to improve stock and land already in cultivation; and that next to nothing is being done in one of the greatest of rural industries, the reclamation of the land.

The cultivated area of the United Kingdom has declined by one million acres between 1900 and 1913; during the same period the total number of sheep has fallen from 31 million to 27.6 million, the number of pigs from 3.6 to 3.3 million and the total number of cattle has only increased from 11.5 to 11.9 million. At the same time the world's demand for food supplies has greatly increased, as is shown strikingly by the increase in prices in 1913 over 1900.

The fundamental fault of the existing system is the failure to apply to the land the labour and capital essential for its development. The assumption underlying the present land system, and the only justification of the landlord's monopoly power, is that he supplies all the necessary capital for improvement and development. It is because this duty is in no reasonable sense performed that a readjustment of the land system is necessary.

In a great number of cases no one can apply the needed capital so effectively, so cheaply, and so profitably as the actual cultivator of the soil, and in so far as the existing system of tenure discourages this, it deprives the land of the richest stream of capital available for its development.

The first essential, therefore, is to ensure access to the land whether for development of industry, water-power, building, afforestation or agriculture. The second essential is that tenants willing to undertake the work and risks of development be legally secured in what is their own. The third essential is that rural development be assisted by improved methods of organisation, transit, credit, and technical training.

## § 2. RURAL DEPOPULATION.

After this general survey the Report proceeds to examine the several points raised. First in order comes the fact of rural depopulation.

Four counties, Argyll, Berwick, Perth and Sutherland, are shown to have a smaller population now than in 1804, and the 1911 census shows

that in no less than 533 out of the 874 parishes of Scotland the population is smaller than in 1901. In every district where agriculture is the dominant industry there is a decline of population. This is substantiated by the following tables.

*Number of persons (male and female) engaged in agriculture in Scotland as returned at each census from 1871 to 1911.*

1871	1881	1891	1901	1911
254,842	240,131	213,060	204,183	199,083

*Number of male shepherds and farm labourers in Scotland as returned at each census from 1871 to 1911.*

1871	1881	1891	1901	1911
119,391	102,875	95,470	83,441	80,582

The decline is 22 % in the first table and 32 % in the second.

A comparison with the figures for game-keepers shows that while the number of farm-servants has declined from 1881 to 1911 to the extent of 49,428 there has been an increase of 1,673 in the number of game-keepers for the same period.

A feature of special importance is the great increase in emigration from Scotland during the last decade. While the proportion of Irish emigration has fallen largely and English emigration has remained nearly stationary, that from Scotland has almost doubled, rising from 33,368 in 1909 to 61,328 in 1911, and this in spite of increasing wages and an increased demand for labour in practically every part of the country.

Nor can this rural depopulation be explained by the attraction of urban life, for these workers emigrate in the main to districts in Canada, Australia, and New Zealand infinitely further removed from urban pleasures than the localities they leave. The reasons generally given throughout Scotland for this heavy drain of emigration are the lack of opportunities of access to rural land at home, and the absence of the prospects of a career on it. Inadequate housing accommodation is also a contributory cause, especially in the case of the unmarried farm servant.

### § 3. THE DECAY OF THE COUNTRYSIDE.

The total area of land in Scotland is 191,070,466 acres, of which 17 per cent was used in 1912 as arable land and 7.8 per cent as permanent grass. Thus only 25.2 % of the total area was under cultivation.

Within recent years the story has been one of continuous retrogression. Between 1901 and 1911, 123,000 acres were withdrawn from the

though and the area of arable land decreased between 1882 and 1911 by 51,375 acres. In 1912 the area under crops and grasses showed a decrease as compared with 1911 of 24,501 acres, comprising 23,541 acres of arable land and 960 acres of permanent grass.

Large areas are unproductive through want of efficient drainage, the reason given being that the landlords are unable or unwilling to incur the expense. Tenants consider that as drainage is a permanent improvement it should be executed by the landlord, and even where the tenant admits that he could do it and have protection under the Agricultural Holdings Acts, he is, as a rule, very unwilling to undertake the work.

Undoubtedly a very large part of the drainage work done in the past was really performed by the tenants, but their point of view now is that with the enormous increase in the opportunities for selling their labour which exist today as compared with forty or one hundred years ago they are not disposed to do the great amount of drainage, reclamation, and improvement work on the same conditions as before and that without security of tenure it is not worth the trouble.

Another grave cause of deterioration has been that in the interests of game preserving the growth of heather, bracken, and fern is not infrequently encouraged. In some leases the burning of heather is prohibited. A striking instance of the effects of this abuse is given in the following answer to an enquiry made by the Commission :

" All the land on the fourteen farms in deer forest, from which the tenants were evicted is now well grown over with heather. The arable land was as good as any in the parish. The occupiers of the farms, who, with their families, numbered 119 individuals, depended largely on the excellent pasture, which carried 10,000 sheep, 200 head of cattle, and 20 horses. The occupants now are 5 keepers with 4 ghillies for the season, and the annual output is now about 100 stags and hinds."

#### § 4. THE AMALGAMATION OF HOLDINGS.

Another cause of rural decay is the amalgamation of holdings due to the desire to avoid the expenditure necessary to maintain the farms as units of agricultural production. This leads to the system of "led" farms, let generally for grazing purposes to a farmer residing on another farm, so that the buildings on the "led" farm are allowed to fall into decay. There are a minority of cases in which the amalgamated holdings are put to more productive uses than they were previously, but this is not the ordinary case. The picture of a depleted country-side with many farm buildings altogether in ruins is a standing condemnation of this system which drives labourers off the land, putting a portion of it out of cultivation, as the "led" farms are generally let for sheep pasture. In contradistinction to this growing amalgamation of holdings, the enquiry shows that a good mixture of farms of all sizes throughout a district is the most satisfactory ar-

rangement, and the Commission considers that the consent of the Board of Agriculture should be required whenever it is proposed to let a farm as a "led" farm.

#### § 5. LANDLORDS' INABILITY TO EQUIP THE LAND.

A main cause for amalgamating holdings, failure to maintain drainage, and the other features of rural decay, is the inability of the owner to apply to the land the requisite capital.

The landlord, arguing on a basis of not investing money for less than a 5 % return, considers that the additional rent he would obtain, for instance, by placing his farm buildings in adequate repair is insufficient to justify the additional expenditure, and he has been encouraged in this course by the general economic tendency to decrease the extent of arable land and increase that laid down to grass.

It is somewhat difficult to hold that landlords must, in every case, maintain adequately the farms on their estates in view of the admitted inability of so many of them to undertake so considerable a task, but their inability should not be held, as it is at present, to justify the decay of great rural districts when there are within reach some of the best farmers in the world unable to get access to the unutilised ground which lies around them.

Many Scotch landlords are absentees, and with the growth of absenteeism the management of their estates is left to factors, whose aim is to produce the highest net balance on the year's working regardless of the agricultural interests of the farms or the future condition of the estate. Moreover, many of these neglected estates are heavily mortgaged or burdened with rent charges. An Act of 1875 made it possible for the heir of entail to convert rent charges into permanent mortgages on the estate, and this has been taken advantage of by certain proprietors with the result that they have kept placing new permanent charges on the estate without taking any off, so, in time, bleeding their lands to death.

#### § 6. DEMAND FOR HOLDINGS.

In strong contrast to this rural decay stands the fact that in every part of Scotland there is an unsatisfied demand for farms and holdings, more especially for small ones, though this demand has been somewhat reduced within recent years by emigration. The high degree of efficiency of the farming population makes it the more to be regretted that men of such admirable qualities are unable to get reasonable opportunities for their exercise, especially when there is so much derelict land in their midst.

Thirty or forty years ago it was thought that the small holding was bound to disappear. This view has been very much modified. Many large farmers, formerly opposed to the policy of establishing and assisting small holdings, are now in its favour. The difficulty of obtaining labour has brought

home to them the value of small holdings as the best source of supply of agricultural workers, and for the purposes of intensive farming it is now perceived that small holdings are especially suitable. On national grounds, as the source of raising a large rural population, their value is everywhere recognised.

After thus setting forth the desirability of, and the demand for, agricultural holdings with security of tenure the Report proceeds to examine the provisions and working of the Crofters Act and the Small Landholders Act, which have done so much in this direction. For an account of these Acts and the results so far obtained, we refer the reader to an article published in this *Bulletin* for February, 1914 (1).

#### § 7. PROTECTION FOR TENANTS OF LARGE FARMS.

Insecurity of tenure is the great hindrance to the development of agriculture. Formerly the agricultural lease was for 19 years with a break at 5 or 7. There was no compensation for any improvements made during the tenancy, and this led to the exhaustion of the land. The Agricultural Holdings Act was passed in 1883 and consolidated in 1908 to secure to the tenant compensation for "unexhausted improvements." Further extension of this principle is needed both in justice to the tenant and in order to induce him to invest greater labour and capital in the equipment of the land. As the Act now stands, the uncertainty of the tenant as to the renewal of his lease makes it rather to his advantage than otherwise to leave the soil in an exhausted condition at its expiration, as he then has fewer competitors for the farm and the rent is less likely to be raised. Many farms in Scotland are now held on year to year leases, but unless the farmer is sure of remaining in possession, he does not execute improvements, as draining, manuring, fencing or cutting bracken are all improvements of a continuing nature, giving a return over a period of years on the capital and labour expended on them.

Throughout Scotland it is found that the demand by agriculturists is in general for tenancy with security of tenure, and not for purchase of their holdings. It is their practically unanimous opinion that capital can be better utilised in cultivating land, purchasing stock, etc., than sunk in the purchase of land. The greatest practical need in agriculture to-day is to secure the application of capital to the actual work of development, and any scheme which encourages the actual cultivators of the soil to divert their capital in other directions is less desirable. The preference for tenancy with security over purchase has been much increased by the operation of the Small Landholders Act of 1911.

(1) "Small holdings in Scotland and the Effects of Recent Legislation regarding them."  
John M. Ramsay, *Bulletin of Economic and Social Intelligence*, February, 1914.

## § 8. THE LANDOWNER'S MONOPOLY POWER.

Agricultural undevelopment is directly associated with the exercise of monopoly power by the landowner. It is entirely in his discretion whether he will have farmers on his estate at all, and he can dictate the terms on which alone occupation of farms can be gained. The evidence gathered shows that this monopoly power is sometimes so exercised that the terms on which access to land can be gained are an altogether one-sided bargain. In some cases, though the houses on farms have been built by the tenants, the landlord not only dictated the terms of the rent for same, but took a toll in addition on the tenant's earnings from other occupations in the form of arbitrarily increased rents; again rents have been raised to meet the debts of owners. Sites are refused for building purposes, for doctors' houses, inns, etc., and tenants are sometimes evicted for arbitrary reasons, such as their political opinions.

Summing up under this head, the Report quotes the following opinion:

"Most people will admit that the land laws are wrong when the following things are not only possible but are, and have been actually done, and that not seldom:

"(1) Confiscation of a tenant's improvements.

"(2) Raising rent on a tenant's improvements.

"(3) Eviction of a tenant who has improved and sunk capital in permanent improvements, and re-letting the farm to a new tenant at a higher rent.

"(4) Eviction of a tenant because he enforced his rights re ground game, heather burning, etc.

"(5) Eviction on capricious grounds.

"All these are obviously unjust, and with an absentee landlord these are very present dangers to all tenants, and militate against anything but a hand-to-mouth style of farming, good for neither landlord nor tenant, nor the country at large."

## § 9. SPORTING INTERESTS.

The most outstanding form of this exercise of monopoly power in opposition to the economic interests of a rural population occurs in the case of game preservation.

The Royal Commission on Coast Erosion and Afforestation found that considerations of sport were a main reason why afforestation was so backward in Scotland. They point out:

"Considerations of sport have played an important part in determining the method of management of our woods. Clean boles with high pitched crowns, the exclusion of the sun's rays, and ground destitute of grass, weeds and bushes, are not conditions favourable to either ground or winged

me. On the contrary, trees that are semi-isolated, and with low-reaching branches, and a wood that is full of bracken, brambles, and similar undergrowth, present conditions much more attractive to the sportsman, and it is these conditions that many landowners have arranged to secure. Ground game too has been the cause of immense destruction amongst the young trees, and thus it has, in a measure, directly brought about that condition of under-stocking which is so inimical to the growth of good timber, and to the successful results of forestry. Nor is it possible in the presence of even a moderate head of ground game to secure natural regeneration of woodlands, the young seedlings being nibbled over almost as soon as they appear above ground. So intimate is the association in the United Kingdom between sport and forestry, that even on an estate that is considered to possess some of the best managed woods in England, the sylvicul- tural details have to be accommodated to the hunting and shooting, and trees must be taken down in different places to make cover for foxes."

Throughout the Lowland counties the game question does not differ materially from the similar question in England, but in the Highlands, owing to the prevalence of deer forests, it assumes a much larger aspect.

The owner of land has power to reserve the right to take and kill game and he can let this right to any person. The Ground Game Act gives the tenant certain rights to compensation for loss caused him by game, but in a very large number of cases, representing in the aggregate very great damage to crops, no compensation, is, in fact, obtained. In the first place, the machinery for recovery is cumbersome and expensive, and secondly the farmers hesitate to take their landlord or his sporting tenant into court for fear of having a refusal to renew their leases when these expire. As a result, farmers are discouraged, where the game nuisance is considerable, from developing their crops as highly as they otherwise would; and other industries are also discouraged in order to protect the game from disturbance.

Out of a total acreage of 19,070,466 in Scotland, 3,599,744, or about one fifth, are occupied by deer forests or otherwise exclusively devoted to sport. There are some 200 deer forests, ranging from 100 to 117,000 acres. The area devoted exclusively to sport in Scotland rose from 1,709,892 acres in 1883 to 3,599,744 in 1912.

Most of the great clearances were made, in the first instance, in the interests of large farming as compared with small holdings. During the eighteenth and a great part of the nineteenth century it was thought that much better results could be obtained from large farming than from small, and the clearances in Sutherlandshire and Ross-shire were made in the supposed interests of large sheep-farming. In the course of time these sheep farms have tended more and more to be converted into deer forests, and as the process has proceeded the proprietors have extinguished the small holdings and farms, as the leases fell in, in the interests of game preservation.



Nor is it an adequate answer to say that much of the ground thus used is heather-clad hill-side. It is essential to successful farming in the highlands of the Scottish Highlands that the farms should have attached to them areas of hill-land as grazing grounds and the heather-clad hill which are of no use for growing oats or barley, and which are now devoted to deer, should be used for grazing combined with afforestation. A few typical replies to schedules sent out by the Commission give evidence as to land at present under deer and game which could be used for small holdings.

"Aberdeenshire (R. B. 4). On the hill ground of..., one of the finest sheep grazings in Aberdeenshire, 2,000 sheep were put off five years ago, and the ground is lying at present not even for deer but with the view of improving it as a grouse moor. It is eminently suitable for small holdings. Large portions of it were in days gone by cultivated as small holdings, from which the then occupiers were evicted to make room for grouse and deer."

"Inverness-shire (S. S. S. 37). There is the farm of..., extending in area to 45 acres of arable and 500 acres of pasture, which was let a year ago as a game preserve. There is a vast area extending to several thousand acres at present under sheep which is suitable for cultivation, and a still larger area under deer which is suitable for grazing purposes."

"Perthshire (R. R. 38). The whole of the north side of... save the grazing of..., is now given up to deer. This comprises land which, until lately, was held in three good-going farms."

"(S. S. 99) There is a lot of grazing land held by the proprietors with reduced stocks of sheep, or even none, to improve grouse shooting. About 2,000 acres of this land, which is lightly stocked or cleared for grouse, is the best grazing land in the district, and would make half a dozen ideal small-holdings for shepherds."

#### § 10. FARM SERVANTS.

The census for 1911 showed a total of 86,334 farm servants (male and female) for Scotland. These are paid partly in cash and partly in kind. The Board of Trade made a most careful enquiry in 1910 into the earnings of men employed on farms, showing that the average weekly rate of cash wages of the ordinary agricultural labourer in Scotland was 15s. 1d. and the estimated value of allowances in kind, 3s. 10d., so that his average earnings per week amounted to 18s. 11d., varying from 21s. 4d. in the county of Clackmannan to 13s. 10d. in Shetland and the Orkneys in the extreme north.

If the wages and earnings of men in charge of animals are included the average for Scotland rises to 19s. 7d. as compared to 18s. 4d. for England, 18s. for Wales, and 11s. 3d. for Ireland. Enquiry further shows a notable increase during the last five years. The average increase over large areas of the country is at the rate of from 2s. to 3s. per week.

While wages are higher in Scotland than in England the average yield per acre is also uniformly higher, as is shown by the following table which gives the average yield per acre for the ten years 1902-1911.

Average yield per acre	Scotland	England	Wales
Wheat . . . . . Bushels	39.64	31.83	27.17
Barley . . . . . "	35.65	33.43	31.24
Oats . . . . . "	37.31	42.27	35.27
Beans . . . . . "	35.61	30.18	27.12
Potatoes . . . . . tons	6.41	6.09	5.15
Turnips and swedes . . . . . "	16.27	13.31	15.50
Hay from rye grass, etc . . . . . cwts.	32.04	30.12	25.20
Hay from permanent grass . . . . . "	29.11	24.32	19.86

Thus we see that the country which pays the highest wages has also the best results.

As in England, there is a movement in Scotland for shortening the length of the working day, which at present lasts from 6 a. m. to 6 p. m. or until dusk in winter, with about 3 hours extra in the case of horse and cattle-men. There is also a strong desire on the part of farm-servants to secure the weekly half-holiday which may now be said to be universal for industrial workers in the United Kingdom.

The farm-servants are housed on the farm, cottages for the married men forming part of the equipment provided by the landowner. Unmarried men are usually lodged in outhouses attached to the farms, where there is a great deal of overcrowding and discomfort, which is undoubtedly a contributory cause to the increase of emigration.

## § II. DEVELOPMENT.

As a result of its enquiries the Report concludes that in most of the counties of Scotland there is very much under-development of the land, and that, at the same time, there are great possibilities of sound development on a commercial and economic basis. There is in Scotland as highly developed land and as high-grade stock as anywhere in the world, but it is by largely increasing the productivity of the less well-managed lands that the prospect of largely increased and certain rewards is assured.

This increased productivity implies the application of increased capital to the soil, and with so many proprietors quite unable to assist in this case for full legal security for tenants is overwhelmingly strong and is the first condition of successful development. It is also pointed out that the great rural industry pursued vigorously in other countries, the reclamation of waste land, is almost a lost industry in Scotland.

The claims for development are all the more pressing as statistics clearly show that throughout the world the supplies of agricultural produce are not at present keeping pace with the ever-growing demand, and the prices of the principal food stuffs show substantial increases. Moreover from the point of view of the nation, it is in the highest degree desirable to secure a larger agricultural productivity within its own borders.

Many authorities consider the development of co-operative methods essential to the success of a policy of small holders. In comparison with its development on the continent and in Ireland, agricultural organisation has made little headway in Scotland. The careful grading of goods is also a most important consideration, as is likewise the regularity of supply and beyond what can be achieved by co-operative action by small holders is the question of improved railway and transit facilities.

The establishment of credit banks to assist the small holder seems necessary in view of the demands of intensive cultivation and the need for an increase in the capital invested in the soil, but beyond pointing out the need for land-banks, no definite suggestions on this head are made in the Report.

Sources of national wealth which have been allowed to run waste in Scotland are its abundant resources in water-power. This is due in the first place to the concentration of industries near the great coal-beds in the south of the country, but also, in part, to the difficulty in obtaining access to land for the purpose of small industries. The proprietors are unwilling to depreciate the present value of the land as a sporting preserve by allowing small industries and small centres of population to grow up. There should be the right of appeal to a court against such unreasonable refusal on the part of a landowner. Just as the Land Court has already been given power to override the landlord's refusal to make land available in certain cases for agriculture, so equal power should be given as regards the refusal of facilities for access to land in the case of other industries.

## § 12. AFFORESTATION.

Of the undeveloped resources of Scotland afforestation is one of the greatest. The Royal Commission on Coast Erosion and Afforestation estimated that 6 million acres of land in Scotland were suitable for this purpose. The United Kingdom is almost entirely dependent on foreign supplies for its timber, yet few countries in Europe are better suited to

afforestation. Only 4.6 % of Scotland is devoted to forests as compared with 25.9 % in Germany and 32.6 % in Austria.

As already stated, game preservation has had a deleterious effect on the development of woods. The Report points out that the afforestation of moorland and rough highlands would be of essential assistance to small holders, as it would provide an industry subsidiary to the principal one of cultivation of the land, affording remunerative work for the farmer at the time when his labour is not demanded by the farm. When developed as a subsidiary industry, afforestation affords assistance to the development of a more economically successful small holdings policy and favours a more prosperous condition of the whole rural community. The Report expresses the opinion that it is no more necessary for the State to purchase large areas for the furtherance of afforestation than for the furtherance of agricultural holdings. Land suited for this purpose should be rented with security of tenure in accordance with the principles of the Small Landholders Act of 1911.

### § 13. AGRICULTURAL EDUCATION.

The last few pages of the Report touch on agricultural education. The two central requirements in this direction are a stronger rural bias for elementary education in rural districts, and a means of bringing into actual application the latest developments and improvements in every branch of agriculture. For this purpose, a further extension of demonstration and advisory work in the country districts would seem essential. Winter schools in suitable districts might be further developed, as well as the delivery of lectures by experts.

Under the Small Landholders (Scotland) Act, 1911, agricultural training is placed under the Board of Agriculture for Scotland, which has taken agricultural instruction outside the walls of the college to the rural community by means of county lecturers and organisers, assisted by expert demonstrators in such subjects as butter and cheesemaking, poultry-keeping, bee-keeping, rural household economy, and other industries connected with farm life. To-day every county in Scotland is reached by this machinery.

With the assistance of grants from the Development Commission further work is being done to promote the improvement of stock, the testing of seeds, and the use of scientific manures. In the elementary schools encouragement is given to school gardening.

### § 14. PRINCIPAL RECOMMENDATIONS.

In summing up the results of its Enquiry, the Land Committee makes a series of recommendations of which the following are the most important.

1. Protection against arbitrary eviction and arbitrary renting by the landowner should be given to all farmers. Failing agreement as to terms of renewal at the end of his lease, the farmer should have the right of appeal to the Land Court, which should have power to determine the period of the renewal of the lease and the rent, subject always to the performance by the farmers of their duties towards the land and to the power to take the land for small holdings or for purposes of greater utility; compensation being paid to the farmer in such a case on the basis of the improved fertility and improved equipment of the land, and for disturbance. The conditions of tenure required to be observed by the farmer in his duty to the land should be generally on the lines of those required of small landholders under the provisions of the Acts of 1911 and 1886.

2. The schedules of compensation under the Agricultural Holdings Act should be abolished and compensation to the tenant based on (a) continuous good farming and cultivation which increase the fertility of the land; (b) improved equipment, compensation being assessed on the value of the improvements to an incoming tenant.

3. The restrictions imposed in connection with the Ground Game Act should be removed, and the tenant farmer entitled to kill and take ground game by himself and by any person authorised by him.

4. The policy of creating small holdings should be extended rapidly, and once an applicant is accepted as suitable by the Board of Agriculture he should be provided with a holding as soon as possible.

5. It is essential that access to small holdings should be afforded to the poor man of character and energy. To ensure this, improved credit facilities should be provided. For this purpose the money at the disposal of the Board of Agriculture for the permanent equipment of new small holdings should be increased, and such advances might be made from a special fund created by the issue of a Land Stock, instead of being provided out of revenue. There should also be provision of organised financial facilities for small holders.

6. In creating new holdings the principles on which compensation should be paid to the proprietors are: (a) Where the normal value of the land for agricultural or pastoral purposes is not diminished by the compulsory creation of new small holdings no compensation should be paid to the proprietor in respect to their creation. (b) No compensation should in any case be paid for loss of sporting value through the constitution of such holdings. (c) No compensation should be paid for loss of control over the land or over tenants, or loss of "social value" of an estate through the creation of small holdings. (d) The compensation to be paid, failing agreement, should be determined in all cases by the Land Court.

7. The Board of Agriculture should have power to require landowners to fill in a form showing when leases of farms expire and whether the sitting tenant is an applicant for renewal. When the Board is of opinion that there is a demand for small holdings in a locality, and it is unable to secure by agreement that landowners will make the necessary land available, it should at once prepare a preliminary scheme for new small holdings

such locality in respect of farms where the leases are expiring and where the tenant is not applying for the renewal of his lease, or where he has a number of farms, or as regards "led" farms. The Board should apply to the Land Court for its approval of this scheme, and on reasonable cause shown the Land Court would grant this application, limiting its operation to a period of six months. Within such time the proprietor should not be allowed to let the farm without the approval of the Board or the Land Court. The Board should complete its scheme for small holdings by the necessary negotiation with applicants, and failing agreement with the proprietor to accept the new tenants as small landholders, should be enabled to apply to the Land Court to have a compulsory order made.

8. Power should be given to the Board of Agriculture for the acquisition of land on lease for afforestation at a fair rent, to be fixed by the Land Court, failing agreement between the landowner and the Board. In any such arrangement it would be essential that the Board of Agriculture should have absolute power to deal with the land as it thought fit, including the power to sublet to co-operative associations or Utility Societies.

#### CONCLUSION.

In conclusion, we would remind the reader that the statements made and views expressed in the foregoing summary are those of the Scottish Land Enquiry Committee and that, as the Committee consists entirely of members of a single political party, some allowance must be made for party bias. The Committee appears, however, to have endeavoured to make an impartial survey of agricultural conditions in Scotland and the Report is, therefore, entitled to serious consideration.

## 2. HOME INDUSTRIES IN THE HIGHLANDS AND ISLANDS OF SCOTLAND.

SOURCE (OFFICIAL):

REPORT TO THE BOARD OF AGRICULTURE FOR SCOTLAND ON HOME INDUSTRIES IN THE HIGHLANDS AND ISLANDS. Edinburgh, 1914. Neill and Co.

### INTRODUCTION.

In 1911, Dr. W. R. Scott, Lecturer on Political Economy in the University of St. Andrews, was appointed to investigate and report upon the industries in the congested districts of Scotland, and in particular on the relation of these industries to the life of the people in the Highlands and Islands. The investigator visited the Western Highlands and the Hebrides early in 1912, and later on in the same year spent some time in Shetland and Orkney Islands and on the mainland, in Caithness, Inverness-shire, Ross-shire and Sutherlandshire. In October, 1913, he presented to the Board of Agriculture for Scotland a report which deals very fully with the Highland cottage tweed industry, hosiery-making in the Shetlands and the kelp industry in the Orkneys and Hebrides, and refers more briefly to a large number of minor industries, including lace-making, wicker-making and basket-making, wood-carving, straw-plaiting and rug-making.

In this article we shall practically confine our attention to the principal industries first mentioned and to the general question of the exercise of the powers of the Board of Agriculture in regard to home industries. Before passing to any description of the industries, however, it will be well to note briefly some of the characteristics of the Highlands and Islands. The region includes the counties of Argyll, Inverness, Ross and Cromarty, Sutherland, Caithness, Orkney and Shetland, which together make up nearly half the total area of Scotland. These are the so-called "crofting counties" in which the land is cultivated by small tenant holders who rent a small piece of arable land and enjoy a right of pasturage in the common lands of the parish. Such a holder is known in Scotland as a "crofter," and the holding itself is the "croft." As the yield from the holdings is small, at the best of times and infinitesimal in bad seasons, the crofter usually supplements his income by fishing, or by kelp-making, while the women of his household work at some home industry. The population of the seven counties, in 1911, was 335,000, — only 7 per cent. of the population of Scotland. It has decreased constantly since 1851 when it was at its maximum of 395,000. Moreover, these counties include in their great

area only 15 per cent. of the cultivated land in Scotland. The average size of a holding (exclusive of mountain or heath land used for grazing) is 24 acres as against 85 acres for the rest of Scotland.

Agriculture in the Highlands and Islands, therefore, may be said to have a special character of its own which has been recognised in and emphasised by the special legislation applied to these regions in a series of acts, beginning with the Crofters' Holdings Act of 1886 and ending with the Small Landholders (Scotland) Act of 1912. The working of the various acts is described in a recent article in this *Bulletin* (1) to which the reader may usefully refer.

One point of quite minor importance may conveniently be explained here, namely, the inclusion of kelp-making in a report dealing with home industries. Strictly speaking it is not a home industry, since it consists in the burning of seaweed in the open air, and the carting and burning of seaweed is heavy work even for the men; but, like home industries strictly so called it is supplementary to agriculture, and it is an important means of support in the Orkneys and several of the Hebrides. Further, the Board of Agriculture, for which the report was prepared, has powers and responsibilities in relation to "rural industries," and kelp-making certainly falls under this head.

The most important home industry — and in many respects the most typical — is the making of the well-known "Harris" and similar tweeds, and we shall describe this industry first.

#### § 1. THE COTTAGE TWEED INDUSTRY IN THE HEBRIDES.

Tweed which is either real "Harris" or is of the same type is made in the islands of Harris, Lewis, North Uist and South Uist, and to a small extent on the mainland, in the Western Highlands. The tweed is a very distinctive type of cloth, — light, loosely spun and woven, warm and elastic, — admirably adapted to the requirements of the golfer and the sportsman and, in general, all those persons who lead an active outdoor life in the country. The cloth, at its best, is made entirely by hand; but unfortunately the term "Hand-made" applied to cloth is more than usually vague in its meaning, and this fact has been taken full advantage of by unscrupulous dealers.

The processes through which the raw wool passes in the making of the tweed are washing and drying, teasing, dyeing, carding, spinning, weaving, and finishing. In all the processes, except the actual weaving of the yarn, the great majority of the workers are women. The nature of the dyes used is an important matter, the harmonious blending of subdued natural colours being one of the characteristics of real "Harris." Most

(1) JOHN M. RAMSAY: Small Holdings in Scotland and the Effects of Recent Legislation Regarding Them. *Bulletin of Economic and Social Intelligence*, February, 1914.



of the colours are obtained from vegetable dyes made from lichens, ferns, bracken, heather and other plants which grow locally; and the fact that certain plants are common in one district and rare in others contributes to give a distinct character to the product of each district, while the worker's skill in blending the colours gives, it is claimed, an individuality to each web of cloth.

After dyeing, the wool is generally sent to be machine-carded. Only in the case where the worker is very far from a carding mill is this part of the work still done by hand. The next process, when the carded wool has been returned to the worker, is the spinning, which occupies most of the time required for the making of the cloth. The spinning for a web of cloth (about 40 yards) will occupy a woman who is an average worker for a full month or more, working eight hours a day. The temptation to substitute machine-spun yarn for hand-spun yarn is obvious, if tweed woven from the former can be sold to an unsuspecting public as "Hand-made." After spinning comes weaving, and here again the woman who is nominally making the web sends the yarn to a weaver who charges a certain price per yard for making it into cloth. Finally, the worker, with the help of her friends, finishes the cloth by washing, stretching and drying it. The finishing, or as it is called the "waulking" of the cloth is made the occasion for something in the nature of a social gathering, the "waulking party" of women being joined, in the evening when the work is over, by the men, and becoming a dancing party.

Having made the cloth, the next concern of the worker is to find a market for it; and this brings us to the question of the organisation of the industry. Harris tweed-making had its beginning in the attempts to provide employment during a period of acute distress in the Highlands which lasted from 1836 till about 1850, and to some extent the organisation of it is regarded as a social and not as a purely economic question. The worker may dispose of the web to a local merchant or may sell it through one of two voluntary associations which exist, — the "Scottish Home Industries Association" and the "Crofters' Agency", — both of which work so as to pay the workers as high a price as possible for their cloth, leaving either no profit at all or only a very small profit for the capital employed. The Associations either sell the cloth wholesale or sell it retail at exhibitions and in the shops owned by the "Scottish Home Industries Association" in London and Edinburgh. The average price paid, in 1911, to makers of the tweed was 3s. per yard, and the cloth sold retail at 4s. 6d. per yard. The margin of profit seems high; but the expense of maintaining a selling agency is heavy, and the associations have to bear a double risk of bad debts: workers to whom they have advanced material may not deliver the tweed, and some of the customers to whom they sell may not pay.

In addition to the two associations mentioned, which are concerned with tweed-making in the Islands, there exist a large number of smaller organisations known as Home Industries Societies which aim at developing tweed and hosiery-making and other industries on the mainland.

Some of the latter societies are very small and as a rule they have practically no capital at their disposal, so that their operations are hampered through their inability to pay cash to the workers as soon as the goods are finished. In 1909, the "Co-operative Council of Highland Home Industries" was formed to represent and assist the various societies, including also the "Crofters' Agency" and the "Scottish Home Industries Association."

Two questions of interest arise in connection with any home industry. What are the real earnings of labour? and, what effect has the pursuit of the industry upon the health of the worker? In the case of the cottage tweed industry a number of considerations must be borne in mind. In the first place the women, who form the bulk of the workers, when they are weaving, dyeing, spinning, etc. are utilising time which they could not otherwise occupy usefully. The land in most cases does not give full employment to those who live on it, and the women cannot spend the whole day over their household duties. Nor do they work without interruption. They have duties which must be attended to both in the house and out of doors, so that they seldom have time to feel that the work is irksome or monotonous. As a rule they are working in healthy and pleasant surroundings, and such operations as the dyeing, washing and drying of the cloth are performed in the open air. Further, the worker sets her own rate of speed in working, and altogether the conditions under which tweed is made in Highland homes are very different from those which usually prevail in factories. The nominal earnings of workers in Harris, for all processes except weaving, are about 10s. a week. Where the wool used comes from the croft the worker has an advantage over those who buy the wool, and she may earn 11s. 6d. a week. In factory work — *e.g.*, in a Dundee jute factory — the same woman might earn about 25 per cent. more in wages, but she would also spend more.

Tweed-making is carried on chiefly in winter when, under any circumstances, the workers would be compelled to remain indoors a large part of the time. The workers can often work together and gossip as they work, and it has already been mentioned that the finishing of the web is made the occasion for a gathering together of relatives and friends to pass a social evening. As things are, life in the Highlands and Islands would undoubtedly, for a great many people, be poorer and more dreary without the tweed-making.

## § 2. HOSIERY-MAKING IN SHETLAND.

It seems to be an historically established fact that the art of knitting was taught to the islanders in the Shetlands by Spanish sailors, the survivors of a galleon belonging to the Armada, wrecked on the coast of Fair Island in 1588. Fair Island lies in the channel between the Orkneys and the Shetlands, and it is remarkable that the hosiery knitted there still bears traces in the design of the religious emblems and observances of the original instructors.

By the middle of the eighteenth century the industry was apparently already an important one, as we learn from an old record of trade that in the year 1767, there were exported from Shetland 50,000 pairs of stockings valued at £1,250. At that time, and until some years later, the hosiery made was sold chiefly to foreign sailors who came to the Islands to fish, and the work was unknown to the people of the mainland. About 1790, the fineness of Shetland wool first attracted general attention at a time when a great impetus was being given to the production of wool throughout the whole of Scotland. According to the report of a Committee of the Highland Society which made investigations in 1790, the Shetland sheep was of a breed quite distinct from the Lowland sheep and was supposed to have come originally from Norway. At that time the sheep were allowed to run wild upon the Islands and the wool was plucked from each animal instead of being shorn off in fleece. When the wool was first shown in Edinburgh it aroused a great deal of interest and is described as being extremely fine in texture, falling in soft ringlets and of a glossy and snowy appearance, equal, at least, to the best Spanish.

By the year 1797, the value of the annual production of Shetland Hosiery had increased to £17,000. Stockings and shawls were the first articles produced. Veils, gloves, underclothing, gaiters, knitted articles for children's wear, cardigans and sweaters were added later, and at the present time the annual production is valued at about £30,000 a year.

The organisation of the industry is of the simplest type. In some cases the wool is both hand-carded and hand-spun; in others it is sent to the mainland to be carded and spun by machinery; and in others again it is machine-carded in Shetland (where a single small mill exists), and is then spun by hand. Whether hand-spun or machine-spun wool is used depends upon the type of garment which is to be made. Some of the best workers prefer all their wool to be hand-carded, claiming that machine-carding ruins the finer fibres of the wool. With these workers it is not a case of unreasoning prejudice, since many of them have given a fair trial to machine-carded wool; and it is to be noted that Shetland wool lends itself particularly well to successful hand-carding. Shetland hosiery (except that made in Fair Island) is never dyed, but is made in the natural wool which occurs in a great variety of shades, from white to a very dark brown. Fair Island hosiery, on the other hand, is dyed in bright colours, and it is unfortunate that the colours as a rule are not particularly well blended and the workers persist in making articles which are no longer in demand except as curiosities. Dr. Scott suggests that it would be worth while to investigate the characteristics of the Continental wool-work of the sixteenth century which is without doubt the model from which the Fair Island designs have been copied. At present, he says, the workers "just fail to secure rich and harmonious effects."

It is not easy to make any exact calculation as to the earnings of the workers, and this for two reasons: the truck system — payment in goods instead of in cash — is still common; and the workers keep no record of the hours they work. Those who know the industry well are of opinion

the women on the crofts make from 4s. to 6s. a week by knitting or spinning, so that on a croft where the wife and daughters knit industriously their spare time, their earnings represent an important addition to the family income. And the "disutility" of the labour involved is probably low, at least in the case of women for whom hosiery-making is purely a spare time occupation. When spinning and knitting are practically the means of support, as is sometimes the case when a woman has been left widowed, they naturally become monotonous if not laborious tasks, and, as many hours must necessarily be worked to gain a living, the disutility of work in these cases is high. But here social custom in the Islands lightens the burden. Poor persons who have to make their living by hosiery-making are in the habit of making small presents to people who have wool, in return they receive exceptionally good value when they come to buy. It is probable that there is often a balance of enjoyment for the workers in the performance of their tasks. This is certainly true of the carding of wool, which like the finishing of the web of cloth in the Hebrides, is a social function. As Dr. Scott puts it: "On the western side of the largest island the function, known as "a cairdin," occupies an important place in the life of the younger members of the community. In fact, the faces of the spinners always brighten when "a cairdin" is mentioned — one of the more youthful knitters with pleasant anticipations, those of the older workers with kindly recollections."

The workers sell the articles they make direct to local merchants, since the provisions of the Truck Acts have been enforced, are compelled to pay in cash. The merchants sell a certain amount of hosiery to the summer visitors who come to the Islands, but they sell the bulk of it wholesale to London dealers. There are complaints from time to time from the dealers that garments are badly shaped. This defect is due, as a rule, to carelessness or the lack of proper appliances in the last stage of production, the washing, stretching and drying of the knitted articles. Defective garments are returned to the merchant in Shetland, and, as he has already paid the worker, he has to bear the loss himself. Naturally he protects himself by offering, in general, a slighter lower price for work, so that ultimately all the workers pay for the carelessness of a few. The success of the whole industry depends upon the maintenance of a high standard of quality. Shetland wool is of extraordinary fineness of texture and well-knitted well-finished garments made from it will always find a market at high prices. But if the work deteriorate in quality it will not be able for long to compete against machine-made hosiery which, year by year, is improving in quality and finish.

One problem of fundamental importance to the success of the industry still has to be solved, namely, how to prevent machine-made goods from being sold as hand-made. It is admitted that there is often considerable temptation to use a mild term — in connection with the description "hand-made," and even with respect to the word "Shetland," though the firm that issued the label "*Warranted best quality - A A Shetland - full weight - Manufactured in Germany*" can hardly be accused of

anything but an astonishing ingenuousness. The difficulty arises from the fact that a garment is often machine-made as to one part and hand-made as to another, and the only solution seems to be one suggested by Dr. Scott, namely, that the finished articles before leaving Shetland shall be submitted to public inspectors who, at examination, shall affix to each an appropriate label which shall be full and accurate description of the class to which the article belongs. Thus, for a garment made entirely by hand, the label might read: "*Shetland Hosiery: Hand-carded, Hand-spun, Hand-knitted.*"

Such a system of inspection is quite practicable. Dr. Scott suggests that the inspectors might be officials appointed by the Board of Agriculture for Scotland and that the system might be made self-supporting by charging a small fee for each article inspected. The method proposed has certain decided advantages. It would ensure that each worker receives full credit for the hand-work which had entered into the making of an article, and it would be a reliable guarantee to the customer as to the type of article he was buying. Moreover, it has the advantage of being quite impartial, simply describing each article and leaving to others to pronounce upon the respective merits of hand-made and machine-made goods.

### § 3. THE KELP INDUSTRY.

Kelp is made from seaweed, either cut from the rocks with sickle and thrown up on the shore by the waves after rough weather. The seaweed is collected, and after partial drying in the sun is gradually burnt in a kiln which may be specially constructed, though a kiln is often no more than a shallow hole dug in the earth. When a sufficient quantity of seaweed has been burnt, the kelp-makers stir the hot ashes with long poles until a glutinous mass is formed of the consistency of moist clay. When the mass has been well worked with the poles it is covered up to protect it from rain and allowed to cool. When cold it is of a greyish or leaden colour, and in consistency and weight resembles coarse lava. In this form it is exported, being valuable chiefly for the iodine and potash salts which it contains.

The industry was introduced into Orkney in 1722 and the first cargo of kelp produced was exported to Newcastle. The crofters were strongly opposed to the new industry and for long refused to undertake the work, serious rioting occurring when attempts were made to bring kelp-making from a distance. The crofters affirmed, as the grounds of their opposition, that the seaweed was required as manure, and that the smoke of the burning drove the fish away. It would seem that neither complaint was founded: the fishing had failed in the Orkneys more than twenty years before kelp-making was introduced, and the fact that kelp is made in the district need not prevent the crofters from obtaining a sufficient supply of suitable seaweed as fertiliser for their land. From the Orkneys, the

industry spread to North Uist and other islands in the Hebrides, and though at first the price paid for the kelp was low, even a low price meant an appreciable and welcome addition to the resources of the crofters.

Nothing is more remarkable in the history of the industry than the fluctuations in the market price of the product. In the first years the price was sometimes less than £1 a ton. From 1740 to 1760, the average price was £2, 5s. and the price rose steadily to an average of £9 a ton for the years between 1790 and 1800. For a number of years during the war with France the price was as high as £20 per ton, and the average from 1800 to 1820 was £10, 10s. Prices began to fall after 1812, and by 1840 they had fallen as low as from £2, 10s. to £4 a ton. There was some improvement in price immediately after 1840 but the industry as a whole was in a state of depression from 1840 to 1870 and in some places kelp-making was abandoned as unprofitable. There has been, upon the whole, a recovery of the industry since that date, and in more than one way the position of labour in it has improved. At one time the whole of the kelp produced in a particular district was shipped in bulk and the proceeds were divided on the basis of the weight of kelp contributed to the shipment. Now the kelp made by each family is kept distinct, being packed in bags and duly labelled, and is paid for on the basis of quality as well as quantity, each parcel shipped being analysed at the factory. A detailed return as to the sale is made in every case, so that any mistake made can be detected at once and corrected, and disputes as to the amounts due to the workers, once very common, now seldom occur. Since 1905 there has been a large increase in production and the prospects of the industry are distinctly good.

#### § 4. THE POSITION OF THE BOARD OF AGRICULTURE FOR SCOTLAND IN RELATION TO HOME INDUSTRIES.

There are, in the Highlands and Islands of Scotland, a number of some industries of minor importance (1), but enough has already been said to show that these industries play an important part in the economic life of a large number of the people. In fact, where the crofter population is dense, home industries which enable the women-folk to add to the family income are really necessary if the people are to live at all; while it is to the extension of such industries that attention may be most hopefully directed in any endeavour to raise the standard of living of the people throughout the Highlands and Islands.

Nor, as Dr. Scott points out more than once, is it from a purely economic point of view only that it is desirable to encourage and develop

(1) Among those referred to by Dr. Scott in his report are: lace-making, at Tarbert and New Pittligo; basket-making at Portree, Kilmuir and a few other places; wood-carving at Connel and Tarbert; rug-making in the Shetlands; and (upon a very small scale) metal-work, violin-making, straw-plaiting, pottery and the making of sealskin shoes.

home industries. Work at these industries has a social and educational value which cannot be overlooked.\* It has repeatedly been asserted that the inhabitants of the Highlands are indolent. Dr. Scott is certain that as far as the women are concerned, the charge is unfounded, but adds that it is impossible to escape the conclusion that the men work less steadily and consistently than the women. The women, in fact, have been trained by the work which they take up in their spare time, to habits of industry; the men, whose main occupation as small farmers leaves them with much idle time on their hands, have not the resource of the home industries, and never acquire the same powers of steady application which the women acquire while they are still young. The remedy is in the introduction of home industries suitable to male workers, or the extension of rural industries such as kelp-making.

Dr. Scott suggests another reason why home industries and industries supplementary to agriculture should be encouraged in the Highlands. The Celtic temperament, he thinks, is one which requires change of occupation. "It seems", he says, "to want that inertia which starts slowly but continues long: rather it begins quickly; and, while for a short period it can work long hours most intensely, a time comes before long when a change of occupation, is needed. It is for these reasons that specialisation need not be expected to occupy a large place in Highland labour economy." The inference which we are left to draw is that in the Highland labour economy there is place for a number of industries which will provide part-time occupation, especially for the men.

The experience of other countries, — Ireland is an example near at hand, — shows that home and rural industries can best be built up upon the foundation of a good system of technical instruction. The success of most home industries depends upon keeping the taste and skill of the workers at a high level. The product of the home industry must be something with which the factory product can never quite compete; and one of the dangers which constantly threatens the permanence of a home industry is that those who direct the fortunes of the industry, misconceiving the true interests of all concerned, may attempt to organise it for competition with the factory industry. In such an event the artistic level of the work produced is bound to fall, and inevitably, with all the advantages for organised production which the factory possesses, the home industry will gradually decline and finally disappear.

The few considerations which have just been presented suggest to some extent the manner in which the Board of Agriculture for Scotland can best use its powers in relation to home industries.

The Board has the general duty of "promoting the interests of rural industries in Scotland"; and further, "may undertake the collection and preparation of statistics relating to agriculture, forestry and other rural industries, and make or aid in making such enquiries, experiments, and research, and collect or aid in collecting such information relating thereto as they think advisable." And again, under the Small Landholders

Scotland) Act, it is the duty of the Board "to promote, aid, and develop instruction in rural industries".

It is a fortunate circumstance that in Scotland the home industries at which the crofting families work depend very largely upon the crofts themselves for their raw material. Hosiery-making in Shetland owes its success in a very large degree to the fineness of the local wool; the tweed industry calls for a regular supply of wool of high quality; and basket-making which is one of the most promising of the minor industries, can only succeed if suitable osiers can be procured abundantly and at a reasonable cost.

The Board of Agriculture, therefore, has it in its power to promote the success of a number of industries by promoting agriculture in general, and, in particular, by encouraging sheep-breeding and taking steps to improve the quality of the wool produced. A large part of the wool used for tweed-making in the Hebrides has to be imported, as the local supply is insufficient; and moreover, the wool produced on the crofts is not good enough for the best Harris tweeds. There has, without doubt, been a steady deterioration in the quality of the sheep bred in the Hebrides, and Shetland wool shows signs of very similar deterioration. To this side of the problem the Board is already devoting serious attention, and steady progress is being made. All the activities of the Board in this direction may be expected to react upon home industries providing them with better raw materials and with a more abundant supply.

But the provision of raw materials is not sufficient. It does not solve the problem of starting new industries or of raising the level of the work done in existing industries. Organised technical instruction is needed if either of these objects is to be achieved.

Dr. Scott suggests that such instruction should be furnished in the poorer districts in connection with any industry which it is proposed to start, provided that after a careful examination of all the circumstances there seems to be a fair prospect of the industry succeeding. The instruction provided should be temporary. After instruction for one or two years the workers should be left to themselves; if they succeed by their own efforts in building up anything in the nature of an industry they might receive a further course of instruction after an interval of some years. In this way new processes and any new developments of the industry would be brought to their notice and they would be encouraged to make further efforts. A second course of instruction would, in fact, be a reward for good work done, and an incentive to do still better.

With respect to existing industries, the rule that instruction should be temporary still holds good. The efforts of the instructor provided should in every case be concentrated upon some particular problem, and when the problem has been satisfactorily solved in one district the instructor should move on to another. It has already been proved, by the experience of the Congested Districts Board in the Harris tweed industry, that such instruction is capable of yielding excellent results. When the tweed made in the Hebrides first became known to a wide market



it was inferior in two important points, — in dyeing and in weaving. Instruction was provided by the Congested Districts Board and a great development of the trade resulted. Faults which were common in the cloth twenty years ago are now rarely seen. There is still room however for improvement and development. The weavers, as a rule, work well; but the range of patterns which they produce is narrow, and much might be done to extend it. There is also a dye problem to be solved. New colours and new shades have been introduced but, as Dr. Scott says, "there is more than a suspicion that many of the new colours fade," and a considerable amount of research will have to be done in order to determine and make known which colours are really fast.

The provision of suitable instruction should be the duty of the Board; the supervision of the instruction, however, should devolve upon local committees. In the first place many local committees for the encouragement of home industries already exist, and it is desirable for many reasons that the services of the voluntary workers on these committees should be utilised as fully as possible. In the second place, only a local committee, whose members are familiar with the industry concerned, is in a position to decide to whom the instruction shall be given, when it shall be given, how far it is fulfilling its purpose, and the many other questions which are bound to arise. "A local committee", writes Dr. Scott, "must supply qualities of the same kind as those found in the board of directors of a well-managed joint-stock company, and in addition, many of those of managers of departments. In all home work it must maintain the quality; it must also try to improve designs and to extend its market. These efforts are largely personal, depending on the disposition and opportunities of the individual members. If the popular account of the national character for shrewdness, prudence and foresight is accurate, Scottish home industries should have a distinct advantage over those of all other countries in their management."

In another matter of great importance to the future of many of the home industries the Board of Agriculture should be prepared to furnish expert advice and assistance, namely, in the case of proposed schemes for utilising small units of mechanical power. Throughout the Highlands and Islands there are innumerable small rivers and waterfalls, each capable of furnishing motive power to a small mechanical plant. The chief obstacle to their utilisation is the lack of mechanical knowledge among the people and the difficulty of obtaining advice from an expert engineer. The Board should, upon request, examine any proposed scheme for turning water power to use in driving simple machinery; and the adoption of mechanical power might in many cases lead to the foundation of a new industry or to the extension of one already established.

Finally, Dr. Scott is of opinion that it is the duty of the Board to examine the question of co-operative credit in relation to home industries and to assist in developing a system of credit societies, should such a system prove upon examination to be adapted to the needs of the workers. There is good reason to believe that co-operative credit would be of great assist

ice in developing certain home industries. The workers need a certain amount of capital before they can begin work. The woman who knits posier needs probably less than any other worker, yet even she needs a supply of wool; and if she cannot buy it herself she must be indebted to some person who advances it. This person is usually the merchant who buys the finished articles, so that the worker finds herself continually bound to work for one employer. The dangers of such a system are obvious, and have been illustrated over and over again in connection with different industries in every country in the world. The worker should be able to buy such raw material as is needed, freely, in the cheapest market accessible, and to sell the finished product, with like freedom, to the highest bidder. A credit society by advancing comparatively small amounts for the purchase of material might place the workers in home industries in a position of something like economic freedom. It would not be necessary to form credit societies specially for workers in home industries. It would, indeed, be better if a single society in each locality undertook to provide credit to the crofters for agriculture and to the crofters' wives and daughters for spinning, weaving, knitting, etc. One of the difficulties in conducting a purely agricultural credit society lies precisely in the fact that the funds of the society are all required by borrowers about the same time, and are in the same way repaid about the same time. The crofter for his farming operations would usually require a loan in the spring, which he would repay before the end of the year; and an agricultural credit society would be likely to have a very large part of its small capital lying idle during the winter. But it would be towards the beginning of winter that the women would require advances to enable them to work at their customary home occupation, and thus the funds of the society might find profitable employment all the year round.

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We shall conclude by reproducing the figures relating to home industries in 1911 which are presented in the form of an appendix to the report. The figures are as follows, the amounts shown being the value of the products which found their way to the open market:

*Statistics of certain rural industries.*

Harris tweed (including tweed made in Lewis, North Uist, South Uist, St. Kilda, Skye, Islay, Orkney and Shetland)	£ 83,399
Sales of twenty-four Home Industries Associations on the main- land. These sales consist chiefly of tweed . . . . .	6,292
Shetland hosiery . . . . .	30,399
Lace made at Tarbert . . . . .	159
Straw and basket-work . . . . .	994
	<hr/>
	£ 121,225

It will be noted that kelp is not included in the above list. No figures are furnished in the report as to the total value of the kelp produced in Scotland in recent years, and we know only that, in 1911, good prices were being obtained, the output was increasing, and the situation of the industry was stronger than it had been for many years previously.

MISCELLANEOUS INFORMATION RELATING TO AGRICULTURAL  
ECONOMY IN GENERAL, IN VARIOUS COUNTRIES.

BRAZIL.

FEDERAL AGRICULTURAL COLONIES IN 1913. — According to the Report presented to the President of the Republic in July, 1914, by the Minister of Agriculture, the agricultural colonies belonging to the Federal Government were fourteen in number at the end of 1913 and were established in the States of Espírito Santo, Rio de Janeiro, Minas Geraes, São Paulo, Parana and Santa Catharina.

These colonies covered an area of 4,060 square kilometres and had a population of 5,810 families, consisting of 29,316 persons, of original nationality as follows:

Original Nationality	Families	Individual Members
German . . . . .	1,041	5,234
Austrian . . . . .	1,914	9,151
Belgian . . . . .	2	13
French. . . . .	26	125
Spanish . . . . .	73	387
Dutch . . . . .	54	313
Italian . . . . .	120	739
Japanese . . . . .	29	170
Portuguese . . . . .	102	549
Russian . . . . .	1,283	5,034
Swedish . . . . .	2	4
Swiss . . . . .	24	131
Miscellaneous . . . . .	6	40
Brazilian . . . . .	1,134	6,426
Total . . . . .	5,810	29,316

CHINA.

THE REFORM OF THE LAND TAX IN CHINA. — As China can no longer borrow abroad on account of the war, she has been trying to find in her own country the money she requires. She has thus been led to discover

resources unsuspected by her. The home loan of sixteen million dollars was subscribed to the amount of twenty five million, which suggested to the Government the idea, not yet however put into execution, of a new appeal to Chinese "capitalists". The new taxes decided on a year ago have to a large extent given the results expected of them. But it is above all the taxes reorganized by foreigners that contribute to fill the Treasury: the maritime customs dues and the tax on salt. The gains obtained through these two branches of national revenue have reminded the Government that Sir Robert Hart formerly suggested a reform of infinitely greater importance than that of the maritime customs, with which his name remains associated: the reform of the land tax. In an essentially agricultural country like China, with such extensive areas of fertile land, the land tax ought to be by far the most remunerative. Now it scarcely brings in more than 50,000,000 taëls, (1) whilst Sir Robert estimated the amount that could be exacted without oppression of the taxpayers at 400,000,000 taëls.

But if the reform appears highly desirable, it unfortunately presents serious difficulties. The first is that an edict of 1713 definitely fixed the rate for the land tax, guaranteeing the population for ever against its increase. The last Manchus did not feel themselves strong enough to touch a matter thus settled for ever. The Government, doubtless, does not consider itself bound by the edict of 1713, but prudence must advise the Republic to avoid an increase of taxation against which the Monarchy has guaranteed the people. It is true that, if the amount of the land tax as shown in the statements of revenue does not exceed the figure fixed in 1713, still a large number of additional taxes have been for a long time successively accumulating by the side of the land tax, the rate of the principal tax not being thereby raised as these others only accompany it. Such are among many others the *charge for collection*, the *tax on exchange* of the local token coins for taëls and last of all the *surcharge*, which is only a second land tax, increasing several times, in certain provinces, that established in 1713. Taking into consideration all these additions and the subterfuges resorted to during the course of the land tax from the purse of the tax payer to the public Treasury, Mr. Morse arrives at the conclusion that Honan, where the land tax yields officially 8,500,000 taëls, really pays more than 28,000,000, taëls. An investigation made by Parker in Szechwan shows that the accessory taxes accompanying the land tax in that province increase its amount tenfold.

It is therefore certain that the Government must be able to increase the yield of the tax without increasing the burden. Much rather, according to the *Hong Kong Daily Press*, if it succeeded in collecting the whole of the land tax, would it diminish it considerably. In any case the Governors of the provinces have been invited to send delegates to a conference at Peking to prepare a complete plan. Meanwhile, by way of experiment, the reform is being attempted in two provinces, Chehkiang and Kiangsu.

(1) The customs taël is worth on an average 3.28 fr.

and survey office has been instituted at Peking, under the direction of General Tsao-To to revise the estimates made in 1713, to make a return of the land brought under cultivation since that date and divide the farms into several classes according to their fertility.

It is anticipated that the complete realisation of the reform will take ten years. The improvement it will make in the public finances will be rather delayed, and on the other hand it is probable that the receipts will remain far below Sir Robert Hart's estimate. But the Government can not be too much praised for its initiative.

(Summarised from the *Revue Indo-Chinoise* of March-April, 1915).

#### FRANCE.

UTILISATION OF PRISONERS OF WAR FOR AGRICULTURE. — In reply to a question put by the Deputy, M. Girod, the Minister of War laid down the following conditions for the employment of prisoners of war in agriculture. The farmer must feed and lodge the prisoners; he must further pay 40 times per man per day: that is 20 centimes for clothes and articles of personal use, and 20 centimes pocket money. The gangs will consist of 20 men and the applicant will obtain them through the departments, communes and syndicates.

#### SWITZERLAND.

FINANCIAL ASSISTANCE GRANTED BY THE CANTONS FOR THE ENCOURAGEMENT OF HORNED CATTLE IMPROVEMENT. — The financial assistance the various cantons give to encourage horned cattle improvement may be classified as follows:

1. Prizes to individuals.
2. Subsidies granted to syndicates and prizes to groups.
3. Payment towards expenses of experts.
4. Subsidies in connection with mountain pastures.
5. Miscellaneous subsidies in connection with horned cattle improvement.

# 116 MISCELLANEOUS INFORMATION RELATING TO AGRICULTURAL ECONOMY

The following table shows the total expenditure supported by the cantons in connection with horned cattle improvement in 1912.

Cantons	Total Expenditure	Expenditure per 100 head of cattle	Expenditure per 1,000 persons engaged in agriculture
Glarus . . . . .	16,450	191.23	3,572.98
Grisons . . . . .	96,870	178.40	2,387.90
Geneva . . . . .	12,625	171.28	1,446.32
Bâle-City . . . . .	2,248	159.32	1,536.56
Vaud . . . . .	94,646	108.98	1,326.85
S. Gall . . . . .	87,164	103.19	2,050.38
Fribourg . . . . .	70,978	92.20	1,505.47
Schwyz . . . . .	22,632	91.53	1,792.35
Schaffhausen . . . . .	8,514	87.47	781.31
Neuchâtel . . . . .	15,990	78.16	1,459.87
Zug . . . . .	9,132	77.92	1,852.70
Zurich . . . . .	67,985	76.98	1,068.56
Appenzel E. . . . .	12,467	75.26	2,080.66
Appenzel I. . . . .	4,951	68.41	1,988.35
Nidwald . . . . .	4,425	66.33	1,210.00
Obwald . . . . .	6,338	66.33	1,128.96
Berne . . . . .	148,000	62.22	987.43
Solothurn . . . . .	19,089	57.27	801.72
Valais . . . . .	25,085	49.80	1,447.23
Uri . . . . .	4,088	48.46	671.37
Bâle-Country . . . . .	8,969	47.46	669.57
Thurgau . . . . .	26,143	45.89	877.23
Ticino . . . . .	14,568	44.91	315.15
Aargau . . . . .	27,003	37.68	470.88
Lucerne . . . . .	34,374	36.69	766.37

As we have said, a large proportion of this assistance is given to the *Cattle Improvement and Mountain Pasture Syndicates* in the different countries.

In order better to show the increase in the expenditure of the cantons since 1880 in behalf of cattle improvement, we add the following table, premising that the figures include not only the expenditure in behalf of horse cattle improvement but also that in behalf of horse, pig and goat improvement.

SCILLANEOUS INFORMATION RELATING TO AGRICULTURAL ECONOMY II7

Cantons	Total Expenditure					Expenditure per 1,000 persons engaged in agriculture				
	1880	1890	1900	1912	1880	1890	1900	1912		
Glarus . . . . .	3,643	5,564	11,172	17,331	791.27	1,165.07	2,456.29	3,764.33		
Grisons . . . . .	10,706	15,000	27,887	101,370	250.60	371.41	687.43	2,498.83		
Appenzell I. . . . .	200	1,073	3,660	6,184	80.32	792.37	1,423.49	2,483.53		
S. Gall . . . . .	17,832	39,210	8,631	104,539	410.47	922.56	1,090.80	2,459.10		
Appenzell E . . . . .	518	4,157	9,501	13,582	103.14	827.27	1,585.61	2,216.82		
Schwyz . . . . .	3,517	6,923	13,478	23,492	278.43	548.27	1,051.56	2,018.85		
Fribourg . . . . .	12,329	20,856	43,443	86,350	269.16	447.61	933.27	1,910.89		
Zug . . . . .	—	2,298	5,741	9,359	—	466.22	1,164.74	1,826.91		
Bale-Clty. . . . .	—	—	20,709	2,448	—	—	—	1,673.77		
Neuchâtel . . . . .	—	2,735	6,862	18,206	—	219.70	1,890.71	1,667.67		
Geneva . . . . .	—	—	111,662	14,125	543.86	605.94	1,505.41	1,806.71		
Vaud . . . . .	38,790	43,222	121,916	217,927	367.27	481.10	813.46	1,553.96		
Berne . . . . .	55,648	72,109	121,916	88,330	193.44	378.66	782.38	1,444.32		
Zurich . . . . .	12,018	23,649	48,636	7,023	—	605.03	840.99	1,535.86		
Orswald . . . . .	—	3,400	4,755	7,023	—	503.69	1,293.41	1,294.78		
Nidwald . . . . .	1,437	1,842	4,730	4,735	398.41	234.65	573.16	1,091.18		
Solothurn . . . . .	3,245	5,587	13,647	25,061	136.47	378.27	595.67	1,037.35		
Schaffhausen . . . . .	2,315	4,122	6,491	11,314	221.45	344.95	584.11	988.30		
Thurgau . . . . .	6,827	8,125	16,024	30,496	217.80	314.95	675.57	938.30		
Lucerne . . . . .	9,769	15,472	29,494	42,072	456.22	413.88	628.14	838.97		
Bale-Country . . . . .	6,111	5,544	8,414	11,238	114.63	359.66	519.79	760.06		
Uri . . . . .	608	2,190	3,165	4,628	17.08	242.99	481.86	546.74		
Valais . . . . .	958	13,629	27,530	30,666	—	249.38	392.17	537.64		
Aargau . . . . .	3,397	14,301	22,489	30,331	59.24	70.09	279.57	345.22		
Ticino . . . . .	—	3,210	12,423	15,058	—	—	—	—		



We shall now briefly consider the results obtained through the action of the cantons in promoting and improving cattle improvement. The figures we publish are reproduced from the publication on the *Collective Exhibits of the Cantonal Departments of Agriculture at the National Exhibition of Berne*.

Between 1886 and 1911 the amount of Swiss horned cattle had increased by about one fifth. In fact, in 1886 Switzerland had 1,212,538 head of horned cattle, which had increased in 1911 to 1,443,438 head. There was thus an increase of 230,945 head or 19.05 %.

The Canton now possessing the largest number of head is Berne (316,868). Then come Lucerne (113,034), Zurich (111,034), Vaud (108,210) S. Gall (106,513), Fribourg (101,796) etc..

The canton that shows the largest increase per cent for the period 1886-1911, is Thurgau with 42.12 %; then come Lucerne (31.7 %), Fribourg (31.17 %) and Bâle-Country (30.23 %). We find the average increase for the whole of Switzerland (19.05 %) was exceeded also in the cantons of Zug, Obwald, Zurich, Aargau, Appenzell I., Berne and S. Gall. The cantons in which there was an increase below the average for all Switzerland were Schaffhausen, Vaud, Geneva, Neuchâtel, Nidwald, Schwyz, Appenzell E., Grisons and Glarus. Four cantons showed a decrease, namely Uri, Valais, Ticino and Bâle-City.

(Summarised from a series of articles published in the *Agriculture* of Locarno, Numbers of January 10th., February 6th. and February 21st., 1915).

NOTICES OF SOME RECENT PUBLICATIONS RELATING  
TO AGRICULTURAL ECONOMY IN GENERAL.

BRITISH INDIA.

MORELAND (W. H.) : THE WAR AND INDIAN WHEAT. In the *Quarterly Review*, No. 444, July, 1915, pp. 94-107.

The writer thinks that economists will look back to the years beginning with 1914 as an era of great experiments, and that, of experiments already in progress, few are bolder and few of greater interest than the undertaking of the Indian Government to regulate the price of food throughout the vast area of the Dependency.

Superficially, the Government scheme is simple. India exports annually some two million tons of wheat, about a fifth of the total crop, and by assuming control of all export sales the Government authorities are able effectively to regulate the price of wheat throughout the whole of India. No private exports are allowed: the Government will buy wheat in quantities and at prices to be determined by itself, will ship this wheat to the London market and will retain, for the benefit of the country as a whole, any profits that may be derived from these gigantic operations.

Mr. Moreland is of opinion that the Government scheme as an emergency measure is likely to prove successful. India sales for export are in the hands of a small number of important firms and there was a serious danger that, tempted by high prices in the foreign markets, these firms might push exports to such an extent as to leave the people of India without sufficient food. This danger has been avoided by effecting a compromise in the price. The producers of wheat, hearing exaggerated accounts of the high prices ruling abroad, had been expecting to reap very high profits, — an expectation which the action of Government will very largely disappoint; but, on the other hand, the consumers of wheat who are not also producers will be guaranteed sufficient wheat for their needs at reasonable prices. Economic forces left to themselves would have transferred a considerable amount of wealth from the classes which consume and do not produce wheat, into the pockets of the producers of wheat. The action of Government has prevented such a transfer, and the scheme, therefore may have indirect results which were not contemplated by the authorities.

When the need for wheat was realised in India last September the cultivators in some British provinces and in some of the Native States were urged to plant wheat in preference to other crops, such, for example, as

oil-seeds. The Government has now deprived wheat producers of part of what they are inclined to regard as their legitimate profits, and the season cultivators may be discouraged from sowing wheat, or at least from increasing their sowings. It is quite possible that the need for wheat may be more urgent next summer than this, and it would be regrettable if it were found that the cultivators were disinclined to make a special effort to increase production. If the authorities succeed in their immediate aim without seriously shaking the confidence of the peasants in their ulterior motives they will have good reason to congratulate themselves.

#### FRANCE.

CÉNET (A.): *MANUEL DES HABITATIONS À BON MARCHÉ ET DE LA PETITE PROPRIÉTÉ* (*Handbook of Cheap Dwelling Houses and Small Holdings*). Paris, Librairie Dalloz, 1914.

The collection of Dalloz's *Manuels* has just been enriched by the addition of an excellent volume on cheap dwelling houses and small holdings. Its author, M. A. Cénét, was well prepared for the task of writing it, in his capacity of Secretary to the Cheap Dwelling House Patronage Committee of the arrondissement of Lyons and Vice-president of the National Federation of Co-operative Cheap Dwelling House Societies; he has had eminently practical experience.

The work consists of two parts, of nearly equal length. In the first the author has studied very carefully and methodically the various organizations, with which the readers of this Bulletin are well acquainted, for propaganda in favour of, inspection and building of cheap dwelling houses. The second part is a very complete collection of forms for guidance, such as could only have been made by a man of practical experience and including every thing the builder of cheap dwelling houses or the founder of a society for the purpose requires to know in the matter of law. Model rules, deeds or contracts, regulations, and book keeping forms pass before the reader's eyes without wearying him, owing to most successful printing. M. Cénét's book is a *vade mecum* for practical men.

#### GREAT BRITAIN AND IRELAND.

WINCKWORTH (C. ALLEN): *THE HOUSING OF THE AGRICULTURAL LABOURER*. "Journal of the Royal Agricultural Society of England", Vol. 75, 1914.

The question with which this article deals has been much discussed in recent years in England. It has figured in many of the reports and other publications relating to the land question and, in particular, formed the

subject of an important chapter in the Report of the Departmental Committee on Buildings for Small Holdings, appointed by the Board of Agriculture. This Committee recommended as the minimum requirements of a labourer's cottage a living-room, a scullery and a larder on the ground floor and three bedrooms on the first floor. As an alternative, they suggested that a parlour should be provided in place of one of the bedrooms.

The writer of the article approves of the provision of a parlour, noting the tendency of labourers' families to use the scullery as a living-room and treat the living room as a parlour which can be kept decently clean and tidy and where what they consider their best things can be kept as free as possible from wear and tear and out of the children's reach. The remedy recommended by the Departmental Committee was that the scullery should be made so small for use as a living-room, but Mr. Winckworth suggests, in preference, that when, on account of the extra cost, the provision of three rooms on the ground floor is out of the question, the scullery and kitchen could be combined in one large room and that a small parlour should be provided instead of a separate scullery. The desire for a parlour is so strong that it cannot be ignored and it is better to set aside a small room for this purpose than a large one.

Appended to the article are plans for detached cottages, pairs of cottages, and blocks of four cottages, designed according to the writer's views on the accommodation required, and the various accessories which it is desirable to include are discussed at length.

RUGGERI ALFREDO, gerente responsabile.